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GIVING USA

a compilation of facts
and trends on
American philanthropy
for the year 1984

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LETTER FROM THE CHAIR

If a fear of "returning to the well" stems from the belief that less water remains, that clearly was not the case in 1984 for giving in America. The citizens, corporations and foundations of this country gave a record-breaking $74.25 billion to philanthropic causes, up 11.1% over the previous year's figures.

This is most significant for the Association. On May 16 in New York, we are celebrating the 50th anniversary of the founding of the American Association of Fund-Raising Counsel. It is an important milestone in the annals of fund raising history, made even more important by the amount of money given in 1984.

As I continue as chairman of the AAFRC I am mindful that 1984 was a very different year. In 1983, with the nation coming out of a recession, Americans nonetheless continued in their country's tradition of individual and collective contributions. In 1984, which most would agree was a prosperous one for many Americans and a turnaround year for business, giving reached an all-time high. Americans are clearly a "giving people," in good and bad times.

Individual giving in 1984 was up 11.6 percent to a record $61.55 billion. But to say that increased prosperity was the sole factor for this result is to miss the social dimension of our nation. The tremendous reduction in federal support for nonprofit organizations and institutions in the last four years has been noted by the American people. This in turn has fostered the belief that the citizens of this country must pick up the slack left behind by their government. The response is clear for all to see.

Corporate giving increased over the previous year by 7.8 percent to

$3.45 billion. This impressive result was shared with foundation giving, up 9.8 percent to $4.36 billion, and individual bequests, up 8.1 percent to $4.89 billion.

These numbers, awesome as they are, have an underlying source for their existence: the increased professionalism in fund raising across the field, from private consultants to in-house administrators. The AAFRC has had a major role over the years in establishing standards of excellence for the profession, and in bringing institutions of all kinds to a recognition of high level fund raising performance.

I mentioned last year at this time that philanthropy in most of the world beyond our shores either doesn't exist or doesn't compare to the generosity of our people and the efforts made to raise money for good causes. That is not to say that a lack of interest or determination permeates these countries; indeed, they diligently watch our efforts and desire to emulate the successes achieved in the United States.

I am therefore pleased to say that, beginning this year, the AAFRC will offer affiliation to fund-raising firms outside the United States. We believe we can learn from their experiences and activities, and serve as a model and a standard for fund-raising practices and efforts.

Another first for the Association has to do with the numbers we compile. Ralph Nelson, professor of economics at Queens College, New York, was retained by the AAFRC to develop an econometric model for calculating giving in America. Not only is the model the best of its kind to date, but one of its first applications has determined that the AAFRC *underestimated* the figures in all but four years, going back to 1955! We have always been proud of our restraint in estimating and publishing giving numbers; we now have proof positive that our pride was not misplaced.

It is perhaps fitting that, in reflecting over the past 50 years of achievement by the AAFRC, we also look ahead to the future. At first glance, we see certain problems in the near term. For example, the proposed tax simplification program seriously threatens the present pattern of philanthropy. Philanthropic support in the U.S. is a cornerstone of our society and the way we live. It would be tragic to diminish such support through the proposed tax modifications.

Philanthropy in America will continue to grow, providing more human services than are available today. Americans will remain steadfast in their generosity, and institutions will continue to thrive through this beneficence. Our role as fund-raising counsel will be integral to this process, providing the means and methods to help match goals with interests, needs with philosophies. I am gratified to know that, as the rest of the world takes note and watches our effort, we are contributing to the health and welfare of our country with the greatest resource a nation could ever muster: human caring.

Chairperson
American Association of
Fund-Raising Counsel

Comparison of 1984 Totals to Revised 1983 Estimates

The American Association of Fund-Raising Counsel revised its estimates for total giving and the allocations of the total when new data became available.

The chart showing the 1983 original estimates, the revised estimates for 1983 and the new totals for 1984 also shows the percent increase for each of the donor categories and each of donee segments. It utilizes latest available data.

	1983 Original Giving Estimates	1983 Revised Giving Estimates	1984 Giving Estimates	% Change 1983-1984
		(in billions)		
Total Contributions:	$64.93	$66.82	$74.25	+11.1%
Individuals	53.85	55.13	61.55	+11.6
Bequests	4.52	4.52	4.89	+ 8.1
Foundations	3.46	3.97	4.36	+ 9.8
Corporations	3.10	3.20	3.45	+ 7.8
Total Distribution:				
Religion	$31.03	$31.88	$35.56	+11.5%
Health & Hospitals	9.15	9.43	10.44	+10.7
Education	9.04	9.29	10.08	+ 8.5
Social Service	6.94	7.16	8.01	+11.8
Arts & Humanities	4.08	4.21	4.64	+10.2
Civic & Public	1.80	1.89	2.08	+10.0
Other	2.89	2.96	3.44	+16.2

1984 PHILANTHROPY

Total Giving 1984
$74.25 billion

Contributions (in billions)	
Individuals	$61.55
Bequests	$4.89
Foundations	$4.36
Corporations	$3.45

Contributions as Percent of Total	
Individuals	82.9%
Bequests	6.6%
Foundations	5.8%
Corporations	4.7%

Distribution (in billions)	
Religion	$35.56
Health & Hospitals	$10.44
Education	$10.08
Social Welfare	$8.01
Arts & Humanities	$4.64
Civic & Public	$2.08
Other	$3.44

Distribution as Percent of Total	
Religion	47.9%
Health & Hospitals	14.0%
Education	13.5%
Social Welfare	10.8%
Arts & Humanities	6.2%
Civic & Public	2.8%
Other	4.7%

America's gift-supported organizations, institutions and agencies received a record breaking $74.25 billion through voluntary contributions last year, more than double the total contributed just seven years ago.

The record giving was reflective of the confidence of consumers in their own economic futures and the continued rebounding corporate profits. Overall, giving increased by 11.1 percent, meaning that with inflation for the year at 4 percent, real growth of 8 percent was realized.

While the major factor in the growth of contributions was the flagship state of the American economy, the fact that more people than ever are aware of the plight of their less fortunate neighbors aided the hundreds of thousands of charitable organizations in their quest to deliver services to the millions who have seen a portion of the lives reduced through cuts in federal programs.

But even the increase in funding for the nation's charitable organizations could not compensate for what the government has taken away. And while the overall picture in 1984 was good, storm clouds loom in the not too distant future with the Reagan Administration's tax proposals which would reduce by more than 20 percent individual contributions to the churches, colleges, service agencies, health organizations, hospitals, and other gift supported institutions.

A loss of that magnitude–in excess of $12 billion from individual contributions alone–would cut deeply into the programs and the delivery of services that are so essential to maintaining the quality of life many in the nation have fought for and given to at their own expense.

During 1984, the legislation that enabled those who do not itemize deductions on the federal income tax returns helped to push individual contributions to a record-shattering $61.55 billion. That represented an increase of 11.6 percent from the $55.13 billion given just a year before and as a portion of all charitable contributions, individuals gave 82.9 percent. The increased giving by individuals was boosted by record high employment, increased personal income and the moderate rate of inflation.

The nation's business corporations, riding a wave of increasing profits after three years of declines in earnings, also increased their contributions last year to $3.45 billion from a revised $3.20 billion in 1983.

Corporate giving represented 4.7 percent of the total in 1984, while a year before it accounted for 4.8 percent. Still, while the gains are impressive and credit must be given to the corporate community for its unselfish sharing of profits, only 30 percent of that community gives to charitable causes and an expansion of that small portion of the total business is necessary. The three of every ten firms that make contributions are meeting their social responsibility but the other seven of every ten are not.

Foundations, which last year reached new highs in the value of their investments, shared more of that

return than ever before and donated a total $4.36 billion to a wide variety of organizations, institutions and agencies. Foundation giving, which was up more than 9 percent from 1983, equalled 5.8 percent of all philanthropy in 1984.

Bequests totaled $4.89 billion last year, a gain of 8.1 percent from the $4.52 billion in 1983.

The largest single share of all the charitable giving last year went to religion. Organizations in the religion category received $35.56 billion, a gain of 11.8 percent from the $31.88 billion the year before. As a portion of all philanthropy in the United States giving to religion equalled 47.9 percent.

The Health and Hospitals category received a total of $10.44 billion, up 9.6 percent from the $9.43 billion a year before. Giving to health and to hospitals equalled 14.0 percent of the total given to all categories in 1984.

The field of education received $10.08 billion last year, an increase of 8.5 percent from the $9.29 billion in 1983.

Social Service organizations, boosted by record contributions to United Ways of more than $2 billion, received a total of $8.01 billion in 1984, a gain of 11.8 percent from the $7.16 billion given a year before.

Giving to the arts and humanities incresed last year to $4.64 billion, up 10.2 percent from the $4.21 billion in 1983. Cultural organizations received increases in individual contributions, foundation grants and corporate gifts.

The civic and public affairs category of philanthropy received $2.08 billion, or 2.8 percent of all giving last year. In 1983 giving to the civic and public affairs category totaled $1.89 billion.

The American Association of Fund Raising Counsel said that giving to the "other" category, which includes dollars sent overseas and endowment funds for foundations totaled $3.44 billion, last year. In 1983 giving to that category was $2.96 billion.

SOURCES OF PHILANTHROPY

Individuals
Bequests
Foundations
Corporations

Giving by INDIVIDUALS

	Amount (billions)	Personal Income (billions)	Percent of Income

Contributions by individuals to the nation's gift-supported organizations, institutions and agencies surged to their highest level ever in 1984 and reached an estimated $61.55 billion.

The American Association of Fund-Raising Counsel said the new record for individual giving represented a gain of 11.6 percent from the revised total of $55.13 billion given in 1983.

As a portion of all charitable contributions, giving by living donors equaled 82.9 percent in 1984. A year ago, individual giving accounted for 82.5 percent of the total.

As a portion of personal income – a traditional barometer used to compare individual giving with the performance of the economy – giving by individuals equalled 2.04 percent last year, compared with 2.01 percent in 1983.

The U.S. Department of Commerce reported that personal income grew in 1984 to $3,013.2 billion, a jump of nearly ten percent from the revised total of $2,744.2 billion recorded the year before.

With gifts from individuals showing an annual increase in excess of the rise in personal income, the eleven-plus percent rise in donations was seen as an indication that the nation's charitable organizations are making headway in their quest to boost support to offset – even in a small measure – some of the reductions in federal aid their constituents had received in past years.

The 11.6 percent growth also meant that the fears some had expressed that the growth in individual gifts would slow because of a variety of tax changes had not materialized. Some believed, for example, that the establishment and tax deductibility of Individual Retirement Accounts would cut down on individual giving by many middle-income persons. The theory held that they would put $2,000 into an IRA before making charitable gifts. Indeed, $32.3 billion was pumped into IRA accounts in 1983, and considerably more in 1984. But that did not seem to have a measurable impact on giving.

In addition, with the Bureau of Labor Statistics report that inflation in 1984 was 4.3 percent nationwide, the better than 11 percent growth gave charitable organizations a real growth of 7.3 percent, and that is considerably higher than in many recent years.

Virtually all categories of the charitable community – religious organizations, educational institutions, health agencies and hospitals, social service groups, arts organizations and community service groups – benefited from the large rise in individual con-

1983 Deductions for Charitable Contributions
by Size of Adjusted Gross Income

Size of Adjusted Gross Income	Contributions deduction	
	Number of Returns	Amount
		(000)
All Returns, Total	32,060,442	$37,521,224
No Adjusted Gross Income	-	-
$1 under $1,000	13,428	2,613
$1,000 under $2,000	32,311	4,748
$2,000 under $3,000	47,092	12,621
$3,000 under $4,000	57,611	25,516
$4,000 under $5,000	136,595	71,181
$5,000 under $6,000	200,411	132,355
$6,000 under $7,000	235,821	142,104
$7,000 under $8,000	255,531	184,064
$8,000 under $9,000	295,585	177,807
$9,000 under $10,000	364,510	238,907
$10,000 under $11,000	415,852	323,056
$11,000 under $12,000	428,795	307,745
$12,000 under $13,000	426,166	309,709
$13,000 under $14,000	506,806	373,110
$14,000 under $15,000	515,367	399,404
$15,000 under $16,000	576,857	444,324
$16,000 under $17,000	544,833	449,163
$17,000 under $18,000	664,897	486,068
$18,000 under $19,000	624,114	398,540
$19,000 under $20,000	655,609	538,433
$20,000 under $25,000	3,804,479	2,793,585
$25,000 under $30,000	4,205,196	3,352,320
$30,000 under $40,000	7,670,074	6,905,443
$40,000 under $50,000	4,483,572	4,988,517
$50,000 under $75,000	3,332,823	5,174,918
$75,000 under $100,000	768,063	2,071,100
$100,000 under $200,000	601,515	2,923,348
$200,000 under $500,000	159,820	1,978,873
$500,000 under $1,000,000	25,478	867,652
$1,000,000 or more	11,231	1,444,000
Taxable Returns, Total	30,588,139	$36,078,888
Nontaxable Returns, Total	1,472,303	$ 1,442,337

Source: Internal Revenue Service

tributions.

While much of the increase could be attributed to the healthy state of the American economy and the resulting influence on individual confidence, it must also be noted that charities had well-established constituencies, primarily because of the enormous effort they made beginning in 1981 when the federal reductions were first anticipated.

While some of those reductions never materialized, there is no guarantee they will not in the future, particularly with the pressure to reduce the federal deficit and the Administration's position to leave defense spending at high levels. And with this in mind, the nation's charities continued to make their cases known to the public, the government and the news media.

In addition, more of the babies born after World War II are reaching their

mid-30s, or prime giving age, and their entrance into that sought-after group is not being offset by the number of individuals reaching retirement age.

Combined, those factors all resulted in the increase in giving.

The AAFRC reported it had revised the totals for individual giving for all of the past years beginning with 1946.

The Association said its Advisory Council on Methodology for *Giving USA* had examined the methods of calculating individual giving and recommended a study of other methods that may be available in an effort to construct a methodology that could more accurately measure the levels of giving by individuals.

As a result of that council's work, the Association asked Ralph L Nelson, a respected economist who

1983 Deductions for Charitable Contributions by Nonitemizers
by Size of Adjusted Gross Income

Size of Adjusted Gross Income	Contributions deduction for nonitemizers	
	Number of Returns	Amount
		(000)
All Returns, Total	22,553,029	$507,254
No Adjusted Gross Income	-	-
$1 under $1,000	134,716	2,487
$1,000 under $2,000	301,234	6,067
$2,000 under $3,000	482,439	9,467
$3,000 under $4,000	828,032	17,667
$4,000 under $5,000	881,403	19,170
$5,000 under $6,000	1,006,279	21,992
$6,000 under $7,000	951,327	20,986
$7,000 under $8,000	1,133,202	25,518
$8,000 under $9,000	1,156,807	25,705
$9,000 under $10,000	1,183,169	25,896
$10,000 under $11,000	1,030,793	23,240
$11,000 under $12,000	1,009,174	22,894
$12,000 under $13,000	982,792	21,639
$13,000 under $14,000	974,928	21,789
$14,000 under $15,000	943,063	20,847
$15,000 under $16,000	864,221	19,758
$16,000 under $17,000	760,395	17,097
$17,000 under $18,000	728,237	16,570
$18,000 under $19,000	658,211	15,218
$19,000 under $20,000	603,106	14,154
$20,000 under $25,000	2,522,043	58,049
$25,000 under $30,000	1,564,547	36,716
$30,000 under $40,000	1,390,572	33,105
$40,000 under $50,000	305,949	7,393
$50,000 under $75,000	130,287	3,191
$75,000 under $100,000	18,679	457
$100,000 under $200,000	6,348	156
$200,000 under $500,000	939	22
$500,000 under $1,000,000	103	2
$1,000,000 or more	34	1
Taxable Returns, Total	19,981,556	$451,890
Nontaxable Returns, Total	2,571,473	$ 55,364

Source: Internal Revenue Service

All Top Wealthholders with Gross Assets in Excess of $500,000: Percent of Total Assets by Asset Type, by Sex, 1976 and 1982

Type of asset	Total		Males		Females	
	1976	1982	1976	1982	1976	1982
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cash	7.1	7.8	6.9	6.8	7.3	9.4
Corporate stock	34.7	24.8	36.3	26.8	32.3	21.5
Bonds	9.1	6.0	7.4	4.3	11.9	8.8
Life insurance	0.9	1.2	1.4	1.6	0.2	0.5
Notes and mortgages	4.0	4.5	4.5	5.1	3.2	3.5
Real estate	24.3	31.5	26.2	32.1	21.4	30.6
Noncorporate business assets	5.2	8.5	6.9	10.7	2.6	4.8
Other assets	14.5	15.7	10.4	12.5	21.1	21.1

NOTE: Detail may not add to total because of rounding.

Source: Internal Revenue Service

has worked for years with the philanthropic community, and a professor of Economics at Queens College in New York, to build an econometric model for estimating personal giving on an annual basis.

Working over the period of a year with the members of the Advisory Council–who together constitute a group of the leading researchers and economists within the philanthropic community Dr. Nelson examined a number of avenues to the construction of an estimating model and chose a logarithmic approach–or one that better reflects long-run growth processes and emphasizes relative changes, rather than absolute changes, in the factors used in the model. (see page 105)

To construct the model, Dr. Nelson tested computer runs on a variety of economic indicators and selected five key variables which, when combined, have the lowest coefficients of variation, or margin of error. They are the personal income total, the November-December stock prices as measured by Standard & Poor's, the number of individuals in the prime giving age range of 35 to 64 years old, a time trend, and even a factor for the political party of the incumbent president which measures conservative or liberal behavior for any given year.

There is no single variable for the effect of inflation or consumer price increases, since the key factors of personal income, stock prices and the time trend all reflect inflation for the year they are used. An inflation factor alone would distort the analysis.

The personal income figure was selected because an evaluation of the computer runs and verification checks conducted by Dr. Nelson showed it to be the most significant single variable that produced estimates with the least amount of error.

The November-December stock prices were chosen because their inclusion reduced the error factor even more and stock prices have been proven to have an effect on people's behavior–especially those people in the income categories that identify them as likely to be prime givers.

At the end of both 1983 and 1984, for example, the S&P stock index was at a record high of 164-165, compared with

106 in 1979, 123 in 1981 and 139 in 1982.

The other variables, or factors, used by Dr. Nelson in the econometric model–time trend, prime giving age and finally the political party of the president–all were chosen because they further reduced the possibility of error in the estimating model.

Before the model was selected, Dr. Nelson tested it on previous years for which data has become available. Those data include reports from the Internal Revenue Service on tax returns, which are compiled by IRS computers two to three years after the returns have been filed by individuals.

The verification checks he conducted proved the model to be the most reliable and also resulted in revising previous years' giving figures.

The revisions, which are compiled in chart form in this report, show that in the 28 years AAFRC has been estimating individual giving, the Association has been conservative in its estimates in 24 of those years and overestimated in only four.

In all of the other 24 years, the AAFRC estimates were well below the actual totals given by individuals, which means charities received more than thought.

The most recent figures available from the Internal Revenue Service show that for the year 1983 the IRS saw 32,060,000 individual itemized income tax returns with a charitable deduction, an increase of 5.1 percent from the 30,504,282 filed the year before.

The IRS reported that the itemized returns for 1983 reflected a total of $37.5 billion donated to gift-supported institutions, agencies and organizations in that year, and that was an increase of 12.1 percent from the previous year.

The increase reported by IRS was higher than the 11.7 percent increase in overall individual giving reported by AAFRC from 1982 to 1983.

Non-itemized tax returns with charitable deductions totaled 22,553,029 for 1983, and those individuals donated in excess of $507.2 million, the IRS said. The total donated was significantly higher than the amount claimed on the returns, because under the legislation enabling non-itemizers to deduct their contributions "above

Individual Giving
(in billions)

1948	$3.90
1949	3.97
1950	4.36
1951	4.96
1952	5.52
1953	6.04
1954	6.23
1955	6.75
1956	7.33
1957	7.89
1958	8.15
1959	8.68
1960	9.16
1961	9.50
1962	9.89
1963	10.86
1964	11.19
1965	11.82
1966	12.44
1967	13.41
1968	14.75
1969	15.93
1970	16.19
1971	17.62
1972	19.37
1973	20.53
1974	21.60
1975	23.53
1976	26.32
1977	29.55
1978	32.10
1979	36.59
1980	40.71
1981	46.42
1982	48.52
1983	55.13
1984	61.55

Charitable Deduction For Itemizers
Amount

Comparison of Tax Years 1980, 1981, 1982, and 1983*

AGI	Amount in (000's) of dollars 1980	1981	1982	1983	% Change 1980-81	1981-82	1982-83
Total Returns	25,809,608	30,800,721	33,471,694	37,521,224	+ 19.33	+ 8.67	+ 12.09
Under 5K	$ 78,718	$ 100,420	$ 136,364	$ 116,679	+ 27.56	+ 35.79	− 14.43
5K-10K	585,059	725,235	860,444	875,237	+ 23.95	+ 18.64	+ 1.71
10K-15K	1,319,046	1,445,121	1,593,980	1,713,024	+ 9.55	+ 10.30	+ 7.46
15K-20K	1,878,749	2,108,098	1,995,604	2,316,528	+ 12.20	− 5.33	+ 16.08
20K-25K	2,630,666	2,647,235	2,735,070	2,793,585	+ .62	+ 3.31	+ 2.13
25K-30K	2,749,372	2,940,590	3,232,240	3,352,320	+ 6.95	+ 9.91	+ 3.71
30K-50K	7,715,933	9,495,148	10,937,925	11,893,960	+ 23.05	+ 15.19	+ 8.74
50K-100K	4,135,918	5,503,085	5,895,859	7,246,018	+ 33.05	+ 7.13	+ 22.90
100K-200K	1,732,436	2,352,371	2,478,013	2,923,348	+ 21.73	+ 6.19	+ 17.02
200K-500K	1,324,883	1,681,089	1,666,603	1,978,873	+ 26.88	− .86	+ 18.73
500K-1M	572,278	731,573	705,568	867,652	+ 27.83	− 3.55	+ 22.97
1M or more	886,549	1,070,757	1,214,025	1,444,000	+ 20.77	+ 13.38	+ 18.94

All 1983 figures are preliminary

Source: Internal Revenue Service

Charitable Deduction For Itemizers
Average Contribution Per Return

Comparison of Tax Years 1980, 1981, 1982, and 1983*

AGI	Average Contributions Per Return 1980	1981	1982	1983	% Change 1980-81	1981-82	1982-83
Total Returns	970	1,062	1,097	1,170	+ 9.48	+ 3.29	+ 6.65
Under 5K	$ 398	$ 421	$ 411	$ 406	+ 5.77	− 2.37	− 1.21
5K-10K	558	622	638	647	+ 11.46	+ 2.57	+ 1.41
10K-15K	581	664	690	747	+ 14.28	+ 3.91	+ 8.26
15K-20K	583	664	694	755	+ 13.89	+ 4.51	+ 8.78
20K-25K	615	671	722	734	+ 9.10	+ 7.60	+ 1.66
25K-30K	665	697	734	797	+ 4.81	+ 5.30	+ 8.58
30K-50K	895	919	966	978	+ 2.68	+ 5.11	+ 1.24
50K-100K	1,781	1,754	1,709	1,766	− 1.51	− 1.51	+ 3.33
100K-200K	4,667	4,848	4,618	4,859	+ 3.87	− 4.74	+ 5.21
200K-500K	13,808	14,900	12,413	12,381	+ 7.90	− 16.69	− .25
500K-1M	47,432	51,288	35,461	34,054	+ 8.12	− 30.85	− 3.96
1M or more	207,089	209,746	148,887	128,572	+ 1.28	− 29.01	− 13.64

All 1983 figures are preliminary

Source: Internal Revenue Service

the line" they were permitted to deduct only 25 percent of their contributions in 1983, up to a maximum of $100.

Called the Charitable Contributions Legislation (CCL), the law will permit non-itemizers to deduct 50 percent of their contributions for 1985, and 100 percent in 1986. But then it sunsets, or expires, and must be re-enacted by the Congress if it is to be continued after that year.

The efforts at reducing the deficit are threatening to stop the CCL after it sunsets and there is fear that even though not many individuals are taking advantage of it at the present time,

its loss will have a significant impact on charities and on giving habits of lower income Americans. Charities argue that the number of individuals who take advantage of the CCL will grow over time, since it does take some years for people to become aware of new tax laws.

The IRS data show that the largest amount of contributions from non-itemizers comes from those with incomes of between $5,000 and $10,000. They deducted a total of $120.1 million, while those with incomes of between $20,000 and $25,000 annually deducted a total of $58.1 million.

Among itemizers, $2.8 billion came from the $20,000 to $25,000 income category, while those making between $30,000 and $40,000 contributed a total of $6.9 billion – more than any other income classification.

The average contribution for those with incomes between $25,000 and $30,000 grew to $797 from $734 the year before, an increase of 8.6 percent. For those itemizers who made between $30,000 and $50,000 annually, the average contribution increased by $12 in the space of a year to reach $978, from $966 the year before.

An indication of how much people in each income category give on the average is contained in a chart with this section. An analysis of those data shows that the declines in average gifts from high income individuals evidenced from the 1982 data moderated significantly in 1983.

In 1982 those with incomes between $500,000 and $1 million and more all showed declines in average gift size, but the most recent year shows that those between $50,000 and $200,000 increased their average gift (from the year before) while individuals making between $200,000 and $1 million and more continued to show small declines in average gift size. The drops, however, were less than in the previous year, and while the size of the average gifts declined slightly from the previous two years, the total given by those in the high income categories continued to grow.

For example, those with incomes of between $200,000 and $500,000 gave 18.7 percent more to charities in 1983 than a year before, and those with incomes of between $500,000 and $1 million increased their giving by 23 percent overall.

The increase for those with incomes of more than $1 million annually was 18.9 percent between 1982 and 1983. All of this merely suggests that more people have more money and it takes time for those who suddenly have more discretionary money to learn to become large givers.

Social responsibility doesn't necessarily coincide with instant wealth, but the wealthy do become prime donors in time and some data do paint a

Percent Increase in Number of Wealthholders with Gross Assets of $300,000 or More, 1976 to 1982

Size of net worth	Females	Males
Under $500,000	199.5%	96.2%
$500,000 or more	123.4	128.5

Source: Internal Revenue Service

1983 Itemized Deductions and Percent Change

Itemized deductions	1983 Number of returns (thousands)	Percent change from 1982	1983 Amount (millions)	Percent change from 1982
	(1)	(2)	(3)	(4)
Total	35,201	5.3%	$307,054	7.9%
Medical and dental expense	9,638	−56.2	17,850	−17.8
Taxes paid	34,849	5.3	100,153	13.8
Interest paid	31,653	4.7	132,468	8.7
Contributions	32,060	5.1	37,521	12.1
Miscellaneous	29,040	4.6	19,061	−1.9
Net casualty or theft losses	191	−91.5	831	−70.5

Source: Internal Revenue Service

bright future for gift-supported institutions and organizations.

Evidence of individual wealth was found by the Internal Revenue Service when its data showed that 4.4 million Americans had wealth of $300,000 or more and those individuals, who constitute 2.8 percent of the nation's adult population, hold 28 percent of all the nation's wealth.

The net worth of these individuals–$2.4 trillion–had doubled in the space of just six years.

IRS drew a portrait of a top wealthholder as a male under the age of 50 with a net worth of between $250,000 and $500,000.

More than one-half of his wealth was held in real estate and corporate stock, but real estate surpassed stock as the most prominent asset in his portfolio.

Slightly more than 60 percent of the top wealthholders were men, IRS said, but females, while not the model, increased in the six year period from slightly less than 33 percent of the top wealthholders to nearly 40 percent.

And most of the female wealthholders were younger than the men, with nearly 40 percent under the age of 50 and 36 percent between 50 and 64 years old.

Much of the increase in women wealthholders was among those worth less than $500,000. The women in that category gained at double the rate of men in the same net worth bracket.

A chart showing the total number of top wealthholders, with assets of $500,000 and more, and the types of assets by sex, is included with this section.

Giving by **BEQUEST**

	Amount (Billions)
1970	$2.13
1971	3.00
1972	2.10
1973	2.00
1974	2.07
1975	2.23
1976	2.36
1977	2.99
1978	2.60
1979	2.23
1980	2.86
1981	3.49
1982	3.45
1983	4.52
1984	4.89

The nation's gift-supported organizations, institutions and agencies received an estimated $4.89 billion in bequests during 1984.

The total was not a record but it represented an increase of 8.1 percent from the $4.52 billion given the year before. As a portion of all philanthropic giving in the United States during 1984 bequests accounted for 6.6 percent.

The American Association of Fund-Raising Counsel said the importance of bequest giving to charitable organizations was evident when figures from traditional barometers of such giving are examined.

A group of the nation's large national health agencies, which have been used as a gauge of bequest giving for more than a quarter century, reported in April that bequests had totaled $196.4 million, a massive increase of better than 47 percent from the $132.8 million the same agencies received the year before. Much of the increase could be attributed to the economy–the value of securities and particularly real estate being left to the organizations–but the emphasis charities have been putting on bequests deserves some of the credit, too.

The primary beneficiaries of bequests are the health agencies, along with hospitals, colleges, universities and cultural groups.

In 1984 the American Association of Fund-Raising Counsel measured a total of $182.5 million in large bequests–defined as bequests of a million dollars and more. That, too, was up sharply from the $132.8 million the association had tabulated in large bequests during 1983.

While the bequest portion of total giving has remained relatively steady over the years, it is growing at a slightly smaller rate than overall individual giving. In recent years, however, its growth has quickened–because of inflation and the fact that there are many more bequests than a generation ago.

An analysis of bequest giving by the AAFRC shows that since 1955 bequests have accounted for a total of $57.89 billion going to the nation's charitable organizations, making them second in total only to individual donations. Much of that is used for endowment purposes, and many modest donors look at bequests as a method of increasing their giving.

The AAFRC said that in 1955 Americans left a total of $237 million to charities, and that total grew each year. Ten years later, the value of charitable bequests broke the billion dollar mark for the first time and in 1969, bequest giving topped $2 billion.

The highest year on record was

1982, when bequests totaled $5.45 billion, but during that year the total was boosted by a single gift of $1.3 billion from the estate of the late J. Paul Getty to a museum in California bearing his name and by $115 million given by the late Edward Mallinckrodt, Jr. to two colleges.

Large Bequests (1984)

Giving by **FOUNDATIONS**

Amount (Billions)

American foundations contributed a total of $4.36 billion to gift supported agencies, institutions and organizations in 1984, a new record.

The American Association of Fund-Raising Counsel said the foundation gifts, representing 5.8 percent of all philanthropy in 1984, was pushed to its new high by an increase in the value of the assets held by the more than 23,700 foundations in the nation.

The new total was 9.8 percent higher than the revised $3.97 billion given by foundations in 1983, the association said.

The 1983 foundation giving figure was revised from its earlier $3.46 billion, reported in May of 1984, to $3.97 billion when later data became available.

The American Association of Fund-Raising Counsel reported that a survey it conducts each year among a number of large foundations showed an increase of 6.8 percent in the funding those foundations gave to gift-

supported institutions and agencies in 1984.

The foundations told the Association that in 1984 they paid out $949.26 million, compared with $887.91 million in 1983.

The value of the assets of the foundations surveyed by AAFRC also increased last year, primarily as a result of the rise in the value of securities held by the foundations. The assets reached $21,850,606 last year, an increase of 12.7 percent from the $19,394,247 posted for 1983.

An indication of the value of securities can be obtained by noting that the Dow Jones Average of 30 industrials had two successive "good" years in 1983 and 1984. It closed 1984 at 1,211.57, down only slightly from the year before when it closed at 1,258.64. And the 1983 close was more than a 200 point gain over the previous year.

The high point in the Dow Jones average was reached on January 6. when it hit 1,286.64

Many of the foundations in the AAFRC sampling increased their funding for education, social service, health care, and cultural activities and they reported jumps in both the number of grants awarded and the total dollars given.

Data from The Foundation Center's compilation of activity among the nation's foundations backed that up. The Center reported in April that an analysis of grants by subject categories showed increases in the number of grants to virtually every category—cultural activities, education, health, religion, science, social science and welfare.

Totally, the Center listed 34,040 grants in its Grants Index of gifts of $5,000 and more for 1984. That represented an increase of nearly six percent in the number of grants from the 32,165 gifts made in 1983.

But while the total number of large grants increased, the total value declined.

The Foundation Center said it recorded $1.64 billion in gifts of $5,000 and more during 1984, a slight decrease from the $1.79 billion reached in 1983.

Overall, the Center reported that Foundations made a total of $4.49 billion in grants, compared with $3.79 billion the year before. That represented a gain of 18.4 percent in a one year period. The totals used by The Foundation Center include giving by Corporate Foundations, a factor not included in the AAFRC figure for Foundation giving. The AAFRC includes corporate foundations in the corporate giving figure.

According to The Foundation Directory, corporate foundation giving represents 19.2 percent of all foundation giving, and in 1984 it would have totaled $862 million.

A substantive portion of the 18 percent-plus gain in foundation giving over the one-year period is reflective of the massive increase in the market value of assets. That total jumped from $47.56 billion to $58.66 billion, for an increase of 23.3 percent. Under federal law, foundations are required to pay out approximately five percent of the market value of their investment assets.

An analysis of grantmaking foundations by asset categories showed that there are 79 foundations with assets of $100 million and more, and they made grants totaling $1.25 billion. The same foundations received gifts totaling $1.54 billion.

The 87 foundations with assets of between $50 million and $100 million

Some Leading U.S. Private Foundations Ranked by Payment of Grants (000)[1]

Foundations	1983 Grant Payments	1984 Grant Payments	1984 Assets At Year-End (Market Value)	Estimated 1984 Federal Excise Tax Liability
The Ford Foundation	$103,978	$113,561	$ 3,497,800	$ 5,760
John D. and Catherine T. MacArthur Foundation	25,417	76,700	1,920,000*	10,000
The Andrew W. Mellon Foundation	60,287	61,066	1,131,000	2,372
W.K. Kellogg Foundation	54,647	59,506	1,291,843	1,306
The Robert Wood Johnson Foundation	54,859	57,737	1,173,836	1,632
The Pew Memorial Trust	45,618	45,618*	1,171,420*	1,660*
The Kresge Foundation	24,720	43,145	813,648	1,158
The Duke Endowment	36,783	32,999	551,460	860
The Rockefeller Foundation	36,802	32,803	1,109,335	2,286
The McKnight Foundation	25,061	27,674	508,389**	1,000**
Charles Stewart Mott Foundation	26,325	26,514**	575,000	735
Richard King Mellon Foundation	14,077	24,521**	465,962**	1,122**
Lilly Endowment, Inc.	44,270	24,271	889,437	878
Carnegie Corporation of New York	11,713	18,967	504,763	1,510
Alfred P. Sloan Foundation	16,627	17,000	371,000	760
The James Irvine Foundation	14,152	15,023	306,187	295
Moody Foundation	16,000	14,585	340,000	382
The Edna McConnell Clark Foundation	14,017	14,065	274,306	446
The Bush Foundation	18,776	13,553	256,040	806
Gannett Foundation	11,512	13,141	389,882	253
William Penn Foundation	10,100	12,008	278,837	195
Surdna Foundation, Inc.	14,725	11,604	209,559	212
Danforth Foundation	13,050	11,317	149,581	n/a
The Henry J. Kaiser Family Foundation	6,442	9,898	249,888	578
The William Randolph Hearst Foundation	6,742	9,244	236,000	n/a
Rockefeller Brothers Fund	26,209	8,500**	165,000	n/a
The Commonwealth Fund	8,198	7,669	173,400	400
The Henry Luce Foundation, Inc.	7,837	7,568	157,750	265
John M. Olin Foundation, Inc.	4,142	7,338	71,000**	n/a
M. J. Murdock Charitable Trust	7,298	7,129	152,076**	278**
Northwest Area Foundation	7,158	6,967	132,892	851
Amon G. Carter Foundation	5,797	6,866	163,383	550
The Charles A. Dana Foundation	5,461	6,726	123,006	215
The Vincent Astor Foundation	6,291	6,703	33,134	78
Z. Smith Reynolds Foundation***	6,052	6,562	100,000**	898
John Simon Guggenheim Memorial Foundation	5,959	6,057	96,907	146
John A. Hartford Foundation, Inc.	5,039	5,729	155,170	294
Claude Worthington Benedum Foundation	5,077	5,646	108,939	225
The George Gund Foundation	5,310	5,470	128,675	167
William R. Kenan, Jr. Charitable Trust	7,439	5,458	142,766	n/a
Sarah Scaife Foundation	6,937	5,116	152,692**	423
Charles H. Revson Foundation	4,796	4,940	74,660**	200
El Pomar Foundation	4,631	4,918	116,000	130
Howard Heinz Endowment	4,637	4,881**	n/a	n/a
Mary Flagler Cary Charitable Trust	4,175	4,789	73,365	142
Charles Hayden Foundation	3,933	4,299	97,349	149
Callaway Foundation, Inc.	6,201	4,172	106,605	191
Smith Richardson Foundation, Inc.	4,836	4,022	107,448	114
Sid W. Richardson Foundation	8,704	4,015	138,247	280
William T. Grant Foundation	4,462	4,009	97,003	115
The Spencer Foundation	3,750	3,645	126,342	374
The John and Mary R. Markle Foundation	3,439	3,473	57,757	112
Research Corporation	2,509	3,193	52,620	60
Camille & Henry Dreyfus Foundation, Inc.	1,729	2,800	27,829	34
Elliot & White Springs Foundation, Inc.	1,547	1,547	17,163	30
The Tinker Foundation Incorporated	1,666	1,541	36,255	33
Totals	**$887,919**	**$948,268**	**$21,850,606**	**$42,960**

*1983 figures
**Estimate
***Z. Smith Reynolds Foundation's short-term investment income
1. Table does not represent a complete listing of top-ranked foundations

made grants of $466.7 million, and received gifts of $592.3 million. The fact that they paid out less than they received as compared with their larger colleagues is not significant since the larger foundation gifts include a $1.19 billion gift from the estate of the late J. Paul Getty to the Getty Trust.

The Getty Trust is an operating foundation and as such would not normally make grants to other organizations. But sources have said that the Trust was already beginning to give some of the $1.19 billion to outside gift-supported institutions and the primary giving would occur in 1985.

The Foundation Center's compilation of foundations by asset categories showed a total of 23,770 grantmaking foundations in the nation. The largest single portion of them – 4,080 – fall into the $100,000 to $250,000 asset grouping, and they made grants last year totaling $119.54 million. They received gifts of $85.7 million.

The most recent data cover the year of 1984 and show that educational institutions received $578.1 million in foundation grants, or 35.1 percent of the total. That represented 9,887 grants, or 29.1 percent of all the grants made. A year ago, the same category received $608.2 million, or 33.9 percent of the total, which accounted for 29.4 percent of all the grants made.

Private colleges and universities made out the best among educational institutions – they received 17.0 percent of the grant money and 12.1 percent of the total number of grants. Both the total given and the number of grants recorded was off slightly from 1983 but there was no significance attached to the decline, since it most likely represented reporting mechanisms.

Reported Grants Designated for Special Population Groups in 1981-1984 Volumes

Group	1981 Dollar Amount	%	1982 Dollar Amount	%	1983 Dollar Amount	%	1984 Dollar Amount	%
Aged	18,010,803	1.4	31,196,858	2.1	38,958,611	2.2	53,582,763	3.3
Alcohol & Drug Abusers	3,159,280	0.3	8,076,642	0.5	9,413,252	0.5	8,124,441	0.5
Children & Youth	123,552,714	9.8	132,380,864	8.9	181,303,293	10.1	177,473,802	10.8
Criminal & Ex-Offenders	8,435,017	0.7	8,762,553	0.6	9,347,404	0.5	9,355,096	0.6
Handicapped	22,062,891	1.8	30,233,873	2.0	35,456,271	2.0	39,059,611	2.4
Men & Boys	12,154,657	1.0	13,222,630	0.9	22,413,400	1.3	16,283,728	1.0
Minorities								
General	23,360,983	1.9	33,675,798	2.3	29,002,670	1.6	27,416,376	1.7
Asian-Americans	1,470,530	0.1	2,155,817	0.1	1,931,565	0.1	4,041,158	0.2
Blacks	35,696,678	2.8	32,376,809	2.2	46,275,988	2.6	49,178,707	3.0
Hispanics	10,182,753	0.8	14,782,287	1.0	17,333,475	1.0	15,663,488	1.0
Native Americans	4,913,173	0.4	4,043,327	0.3	5,743,278	0.3	5,994,792	0.4
Women & Girls	36,670,100	2.9	37,528,002	2.5	49,884,209	2.8	58,270,824	3.5

Source: Foundation Grants Index, 14th Edition

Analysis of Grantmaking Foundations by Asset Categories

Asset Category	No. of Foundations	Total Assets	Gifts Received	Total Grants
$100 million +	79	26,136,637,561	1,547,491,123[1]	1,256,928,085
$50 million-99,999,999	87	6,201,484,568	592,353,081	466,720,310
$10 million-49,999,999	599	12,214,778,069	596,794,940	917,756,202
$5 million-9,999,999	584	4,147,020,947	283,151,892	442,011,129
$1 million-4,999,999	2,928	6,489,053,870	445,683,730	691,215,050
$500,000-999,999	2,156	1,522,548,597	143,153,140	193,426,911
$250,000-499,999	2,723	968,127,965	113,563,638	152,278,649
$100,000-249,999	4,080	660,416,542	85,738,056	119,546,392
$50,000-99,999	2,776	199,882,702	41,875,959	62,661,562
$25,000-49,999	2,266	82,380,474	33,045,052	39,449,919
$10,000-24,999	2,191	36,919,973	29,905,106	37,799,347
Under $10,000	3,301	10,388,991	90,953,757	110,025,262
TOTAL	23,770	$58,669,640,259	$4,003,709,474	$4,489,818,818

1. Includes $1.194 billion bequest from the estate of J. Paul Getty to the J. Paul Getty Trust and $120 million bequest left by Fred Meyer to the Fred Meyer Charitable Trust.

Analysis of Grantmaking Foundations by Grants

Grant Category	No. of Foundations	Total Grants	Total Assets	Gifts Received
$25 million +	17	817,894,688	10,860,826,493	201,265,539
$10 million-24,999,999	37	575,346,428	6,999,672,347	169,948,284
$5 million-9,999,999	72	507,374,503	7,291,271,284	222,128,224
$1 million-4,999,999	555	1,136,665,432	12,559,876,700[1]	801,185,231
$500,000-999,999	574	403,691,815	4,756,439,107	294,050,964
$100,000-499,999	3,098	669,626,535	10,093,965,280[2]	1,874,427,795
$50,000-99,999	2,304	163,513,192	2,176,586,862	140,251,862
$25,000-49,999	3,039	107,805,447	1,509,673,219	117,476,901
$5,000-24,999	7,585	94,737,013	1,487,857,797	135,452,338
Under $5,000	6,489	13,163,765	933,471,170	47,522,336
TOTAL	23,770	$4,489,818,818	$58,669,640,259	$4,003,709,474

1. Includes $120 million bequest from the estate of Fred Meyer to the Fred Meyer Charitable Trust in Oregon.
2. Includes $1.194 billion bequest left by J. Paul Getty to the J. Paul Getty Trust in California.

Analysis of Grantmaking Foundations by Type

Type of Foundation	No. of Foundations	Total Assets	Total Gifts Received	Total Grants Paid
Private Non-operating	22,728	52,181,840,730	2,408,042,961	4,183,240,721
Private Operating[1]	817	3,820,041,709	1,381,934,744	73,874,538
Community[2]	225	2,667,757,820	213,731,769	232,703,559
TOTAL	23,770	$58,669,640,259	$4,003,709,474	$4,489,818,818

1. Does not include 1309 private operating foundations that did not award any grants in the most current reporting year. These 1309 hold combined assets of $2,531,904,285 and received gifts totaling $144,168,492.
2. Includes data for 33 community foundations that are classified by the IRS as private foundations.

Source: National Data Book, 9th Edition (Foundation Center, 1985). 1982 data.

Foundation giving to direct service agencies totaled $353.68 million, or 21.5 percent of the grant value, and accounted for 9,672 grants, or 28.4 percent of all grants made. That, too, was off from a year earlier, but so was nearly every other category, despite the total increase registered by all foundations.

The data show that hospitals and medical facilities received 6.9 percent of the value of grants made in 1984, or $114.1 million. A year earlier, the same category was given 7.3 percent of the total, or $130.3 million.

The largest increase was posted by the health category, and that showed overall that 23.6 percent of all large foundation grants were given to health in 1984, compared with 21.7 percent in 1983.

A further analysis of grants by subject categories shows that gifts of $5,000 and more to the cultural category represented 14 percent of the dollar value of grants made in 1984, compared with 15.4 percent in 1983.

The science category, which covers science, general, life sciences, physical sciences and technology, received 7.5 percent of the grant value, while a year ago the same category had been given 9.0 percent.

Social science, however, which covers general, anthropology, economics, law and legal education and political sciences, increased its share from 7.4 percent of the total to 7.6 percent, and religion also showed a slight increase from 2.1 percent to 2.3 percent.

Special population groups, such as the aged, alcohol and drug abusers, the handicapped, minorities, and women's groups all showed gains in funding from foundations in 1984.

Reportedly this is evidence of the increasing awareness created by these special population groups and the action by many foundations begun a number of years ago to help fund other than traditional gift-supported organizations.

COMMUNITY FOUNDATIONS

Community foundations have two major missions: to stimulate the establishment of endowments to serve the local community now and for the future, and to address community needs by providing leadership and resources. Community foundations are an American creation that date from 1914 when the first community foundation was established in Cleveland, Ohio. They provide leadership to a community's philanthropic activities while providing a *distinct* service to donors. By bringing resources together, community foundations enhance the ability of each fund to improve the quality of life in a community.

There are now approximately 250 community foundations in the nation serving most major population centers; some community foundations serve entire states.

Community foundations' assets range from a few thousand dollars in small communities to $461,040,287 in The San Francisco Foundation – the largest community foundation in the country. In 1984, the largest twenty-five community foundations reported receiving $151,891,187 in new gifts. The Atlanta Community Foundation grew remarkably, attaining $23,600,000 in new gifts in 1984. The total assets of the largest community foundations grew by $122,145,236. Grants paid out by these twenty-five

Twenty-Five Largest Community Foundations–Year-End 1984

	Assets	Grants	New Gifts
San Francisco Foundation	$ 461,040,287	$ 55,007,971	$ 4,728,648
New York Community Trust	365,000,000	42,000,000	17,500,000
Cleveland Foundation	305,000,000	15,210,000	3,000,000
Chicago Community Foundation	175,000,000	17,310,895	15,783,515
Boston Foundation	115,292,184	8,649,620	8,834,508
Communities Foundation of Texas	89,552,979	11,310,838	9,084,043
Columbus Foundation	81,600,000	4,500,000	3,500,000
Hartford Foundation for Public Giving	78,130,232	4,513,261	3,959,306
Saint Paul Foundation	73,263,449	14,800,000	17,539,647
Pittsburgh Foundation	70,021,080	4,289,491	1,377,260
Atlanta Community Foundation	61,200,000	3,500,000	23,600,000
New Haven Foundation	56,465,000	3,416,170	693,000
Kalamazoo Foundation	46,095,445	4,027,529	2,500,000
Philadelphia Foundation	43,400,000	3,260,000	1,908,806
Milwaukee Foundation	40,324,565	1,774,394	10,281,905
California Community Foundation	38,129,997	3,720,719	5,441,194
Rhode Island Foundation	37,651,360	2,510,295	659,938
Winston-Salem Foundation	33,212,032	2,726,551	1,799,228
Minneapolis Foundation	32,872,069	3,078,049	3,217,940
Indianapolis Foundation	30,000,000	2,106,737	1,661,013
Winnipeg Foundation	28,117,487	2,131,428	1,552,451
Cincinnati Foundation	27,980,304	2,015,287	4,823,872
Oregon Community Foundation*	27,329,882	1,614,677	4,237,514
Grand Rapids Foundation	23,081,708	1,174,521	556,252
New Hampshire Charitable Fund	19,200,000	2,073,272	3,651,147
	$2,358,960,060	$216,721,705	$151,891,187

**unaudited figures*
Source: Council on Foundations

community foundations totalled $216,721,705.

A community foundation seeks funds from many sources (i.e., individuals, businesses, other charitable institutions or governmental units) rather than from a single source, as is usually the case of a private foundation. A community foundation operates primarily to serve a designated geographic area, but it may accept some funds for distribution outside of the area. Community foundations serve as conveners and catalysts, responding to social changes and the basic human needs of a community. Community foundations undertake projects in a wide variety of areas: health and social welfare, the arts, education, public and urban affairs, and the environment.

Because community foundations are public charities, donors receive maximum tax advantages when they make their contributions to a community foundation. Unlike private foundations, whose donors themselves may administer the funds and continue to select the special purposes they will serve, the governing bodies of community foundations are generally representative of the communities they serve and are charged with making distributions on behalf of the community. Governing bodies of community foundations analyze community needs in light of local circumstances and the foundation's own

resources. A characteristic of community foundations is the power, usually incorporated in their governing instruments, to vary from the terms of a fund when changes in everyday life render a gift obsolete. Undoubtedly, this "variance" power of community foundations increases their utility both to donors and to their communities.

In 1984, the instrumental role that private foundations play in assisting community foundations' start-up ventures became very apparent. For instance, in July of 1984, the Kresge Foundation announced a grant of $5 million to the recently formed Community Foundation of Southeastern Michigan. Thus far, this has been the largest grant every made by a private foundation to start a community foundation. The Bush Foundation, the Charles Stewart Mott Foundation, and the William and Flora Hewlett Foundation have also been instrumental in providing start-up support to community foundations. Moreover, since 1982, the Charles Stewart Mott Foundation has provided special grant support to the Council on Foundations for a technical assistance program aimed at assisting new and small community foundations across the country to grow and flourish.

Corporate contributors are becoming increasingly involved as well. Over the past years, the Levi Strauss Foundation and Aetna Life and Casualty have instituted grant programs to help establish and revitalize community foundations in areas where their respective business corporations have facilities and interests. The Gannett Foundation has also been a major catalyst from the corporate foundation sector in the movement to provide start-up help to community

Twenty-Five Largest Community Foundations Ranked According to Assets

1. San Francisco Foundation	$461,040,287
2. New York Community Trust	365,000,000
3. Cleveland Foundation	305,000,000
4. Chicago Community Foundation	175,000,000
5. Boston Foundation	115,292,184
6. Communities Foundation of Texas	89,552,979
7. Columbus Foundation	81,600,000
8. Hartford Foundation for Public Giving	78,130,232
9. Saint Paul Foundation	73,263,449
10. Pittsburgh Foundation	70,021,080
11. Atlanta Community Foundation	61,200,000
12. New Haven Foundation	56,465,000
13. Kalamazoo Foundation	46,095,445
14. Philadelphia Foundation	43,400,000
15. Milwaukee Foundation	40,324,000
16. California Community Foundation	38,129,997
17. Rhode Island Foundation	37,651,360
18. Winston-Salem Foundation	33,212,032
19. Minneapolis Foundation	32,872,069
20. Indianapolis Foundation	30,000,000
21. Winnipeg Foundation	28,117,487
22. Cincinnati Foundation	27,329,882
23. Oregon Community Foundation	27,329,882
24. Grand Rapids Foundation	23,081,708
25. New Hampshire Charitable Fund	19,200,000
	$2,398,960,060

Twenty-Five Largest Community Foundations Ranked According to Grants

1. San Francisco Foundation	$55,007,971
2. New York Community Trust	42,000,000
3. Chicago Community Foundation	17,310,895
4. Cleveland Foundation	15,210,000
5. Saint Paul Foundation	14,800,000
6. Communities Foundation of Texas	11,310,838
7. Boston Foundation	8,649,620
8. Hartford Foundation for Public Giving	4,513,261
9. Columbus Foundation	4,500,000
10. Pittsburgh Foundation	4,289,491
11. Kalamazoo Foundation	4,027,529
12. California Community Foundation	3,720,719
13. Atlanta Community Foundation	3,500,000
14. New Haven Foundation	3,416,170
15. Philadelphia Foundation	3,260,000
16. Minneapolis Foundation	3,078,049
17. Winston-Salem Foundation	2,726,551
18. Rhode Island Foundation	2,510,295
19. Winnipeg Foundation	2,131,428
20. Indianapolis Foundation	2,106,737
21. New Hampshire Charitable Foundation	2,073,272
22. Cincinnati Foundation	2,015,267
23. Milwaukee Foundation	1,774,394
24. San Antonio Foundation	1,731,887
25. Oregon Community Foundation	1,614,677
	$217,279,071

Twenty-Five Largest Community Foundations Ranked According to New Gifts

1. Atlanta Community Foundation	$ 23,600
2. Saint Paul Foundation	17,539,647
3. New York Community Trust	17,500,000
4. Chicago Community Foundation	15,783,515
5. Milwaukee Foundation	10,281,905
6. Communities Foundation of Texas	9,084,043
7. Boston Foundation	8,834,508
8. California Community Foundation	5,441,194
9. Cincinnati Foundation	4,823,872
10. San Francisco Foundation	4,728,648
11. Oregon Community Foundation	4,237,514
12. Hartford Foundation for Public Giving	3,959,306
13. New Hampshire Charitable Fund	3,651,147
14. Columbus Foundation	3,500,000
15. Minneapolis Foundation	3,217,940
16. Cleveland Foundation	3,000,000
17. San Antonio Foundation	2,518,191
18. Kalamazoo Foundation	2,500,000
19. Philadelphia Foundation	1,908,806
20. Winston-Salem Foundation	1,799,228
21. Indianapolis Foundation	1,661,013
22. Winnipeg Foundation	1,552,451
23. Pittsburgh Foundation	1,377,260
24. Seattle Foundation	848,817
25. New Haven Foundation	693,000
	$154,042,005

*unaudited figures
Source: Council on Foundations

foundations. From early 1983 through September 1984, Gannett contributed $422,000 worth of start-up or revitalization grants to twelve community foundations. Amounts ranged from $8,200 in Fremont, Nebraska to $58,000 in Santa Fe, New Mexico.

In 1984, public agencies, such as the National Endowment for the Arts and the National Trust for Historic Preservation launched collaboration projects with community foundations. The National Endowment for the Arts' Expansion Program for Community Foundations establishes endowment funds in community foundations restricted to the support of small arts organizations, with a particular interest in minority and rural groups. Thus far, the first grants have been awarded to: the Albuquerque Community Foundation; the Rhode Island Foundation; the New Hampshire Charitable Fund; the Baltimore Community Foundation; the Columbus Foundation; the Winston-Salem Foundation; and the California Community Foundation. The National Trust for Historic Preservation awarded a $15,000 challenge grant to the Albuquerque Community Foundation to establish the Historic Fund of New Mexico–the first formal partnership between the Trust and a community foundation.

The Kettering Foundation/community foundation collaborative project was another highlight of 1984. The staff of Kettering is working with community foundations to organize conferences on issues of mutual interest.

Efforts are currently underway to establish a statewide community foundation in Mississippi, and community foundations in such communities as Fort Lauderdale, Florida; Peoria, Illinois; Wilmington, Dela-

Distribution of Grants by Subject Categories Reported in 1983 and 1984 Volumes

Subject	Dollar Value of Grants				Number of Grants			
	1983		1984		1983		1984	
	Amount	%	Amount	%	No.	%	No.	%
Cultural Activities								
General	69,046,584	3.9	44,899,090	2.7	1,075	3.3	1,181	3.5
Art & Architecture	48,833,377	2.7	50,481,250	3.1	745	2.3	761	2.2
History	22,500,034	1.3	21,262,265	1.3	461	1.4	496	1.5
Language & Literature	20,486,702	1.1	14,610,019	0.9	405	1.3	487	1.4
Media & Communications	40,153,676	2.2	24,557,385	1.5	591	1.8	577	1.7
Music	47,451,305	2.6	44,101,153	2.7	1,012	3.2	1,082	3.2
Theater & Dance	28,835,059	1.6	29,109,165	1.8	862	2.7	958	2.8
TOTAL CULTURAL ACTIVITIES	277,306,737	15.4	229,020,327	14.0	5,151	16.0	5,542	16.3
Education								
General	13,971,580	0.8	18,386,648	1.1	422	1.3	489	1.4
Adult & Continuing	8,240,345	0.5	17,963,540	1.1	99	0.3	227	0.7
Elementary & Secondary	56,378,800	3.1	43,934,532	2.7	1,234	3.8	1,197	3.5
Higher (General)	200,108,854	11.2	196,009,421	11.9	3,808	11.8	3,937	11.6

Analysis of Grantmaking Foundations by State

State	No. of Foundations	Percent	Assets (market value)	Percent	Grants Awarded
Alabama	180	0.8	$ 128,178,016	0.2	$ 9,604,19
Alaska	11	*	4,280,055	*	524,41
Arizona	130	0.5	158,643,896	0.3	10,028,67
Arkansas	126	0.5	107,607,743	0.2	10,275,54
California	1821	7.7	7,022,203,183	12.0	468,545,18
Colorado	250	1.1	575,679,847	1.0	46,323,36
Connecticut	602	2.5	862,927,739	1.5	108,286,58
Delaware	133	0.6	512,187,842	0.9	28,483,61
Dist. of Columbia	238	1.0	530,719,922	0.9	39,008,02
Florida	724	3.0	808,685,832	1.4	63,169,41
Georgia	415	1.7	761,841,458	1.3	56,217,31
Hawaii	86	0.4	153,884,360	0.3	14,080,81
Idaho	46	0.2	23,953,672	*	2,196,42
Illinois	1530	6.4	4,058,072,035	6.9	315,036,77
Indiana	470	2.0	1,264,012,306	2.1	91,773,79
Iowa	305	1.3	201,819,995	0.3	17,110,35
Kansas	222	0.9	181,630,942	0.3	14,843,56
Kentucky	131	0.6	210,468,997	0.3	14,112,12
Louisiana	196	0.8	228,336,258	0.4	12,833,59
Maine	110	0.5	43,644,234	0.1	3,713,20
Maryland	387	1.6	418,376,440	0.7	35,276,25
Massachusetts	1314	5.5	1,179,611,790	2.0	94,241,80
Michigan	720	3.0	2,313,882,206	3.9	236,906,30
Minnesota	499	2.1	1,866,483,335	3.2	157,312,20
Mississippi	86	0.4	37,224,665	0.1	3,645,18
Missouri	541	2.3	867,288,870	1.5	92,595,39
Montana	69	0.3	33,255,014	0.1	2,204,91
Nebraska	172	0.7	180,026,388	0.3	14,514,11
Nevada	30	0.1	41,140,303	0.1	2,756,79
New Hampshire	182	0.8	97,183,374	0.2	7,524,31
New Jersey	711	3.0	2,315,873,390	3.9	95,513,58
New Mexico	39	0.2	36,304,152	0.1	1,789,96
New York	4560	19.2	15,579,123,109	26.5	1,137,344,40
North Carolina	422	1.8	1,080,775,415	1.8	88,798,97
North Dakota	43	0.2	19,282,803	*	1,373,11
Ohio	1160	4.9	2,057,963,437	3.5	196,669,81
Oklahoma	190	0.8	1,123,700,205	1.9	59,702,24
Oregon	217	0.9	344,756,754	0.6	19,648,40
Pennsylvania	1305	5.5	4,155,854,165	7.1	341,759,16
Puerto Rico	2	*	19,714,532	*	86,31
Rhode Island	132	0.6	244,865,311	0.4	15,510,95
South Carolina	144	0.6	150,758,379	0.3	10,917,76
South Dakota	45	0.2	17,413,693	*	578,62
Tennessee	232	1.0	399,904,950	0.7	29,118,48
Texas	1170	4.9	4,437,585,551	7.6	364,270,53
Utah	110	0.5	100,673,989	0.2	10,294,76
Vermont	52	0.2	40,023,366	0.1	2,304,21
Virginia	398	1.7	438,127,999	0.7	28,490,43
Washington	343	1.4	483,322,856	0.8	42,912,34
West Virginia	75	0.3	62,972,903	0.1	5,201,37
Wisconsin	660	2.8	645,194,134	1.1	61,614,61
Wyoming	34	0.1	42,198,449	0.1	2,774,46
TOTAL	23,770		$58,669,640,259		$4,489,818,81

NOTE: Percentages may not total 100% due to rounding.

Percent	Gifts Received	Percent
0.2	$ 6,337,759	0.2
*	1,209,073	*
0.2	43,138,425	1.1
0.2	6,755,117	0.2
10.4	1,474,516,520	36.8
1.0	17,492,794	0.4
2.4	37,489,457	0.9
0.6	7,205,342	0.2
0.9	18,563,160	0.5
1.4	50,245,133	1.3
1.3	32,354,912	0.8
0.3	1,212,263	*
*	340,767	*
7.0	118,134,061	3.0
2.1	57,359,613	1.4
0.4	18,069,902	0.5
0.3	39,794,306	1.0
0.3	11,676,832	0.3
0.3	8,482,846	0.2
0.1	2,402,658	0.1
0.8	28,504,349	0.7
2.1	55,860,320	1.4
5.3	113,612,093	2.8
3.5	82,105,214	2.0
0.1	2,592,615	0.1
2.1	39,383,017	1.0
*	2,160,944	0.1
0.3	14,866,947	0.4
0.1	2,622,915	0.1
0.2	4,935,227	0.1
2.1	40,090,138	1.0
*	2,602,137	0.1
25.3	747,888,032	18.7
2.0	37,756,099	0.9
*	894,246	*
4.4	101,029,096	2.5
1.3	31,724,933	0.8
0.4	130,251,327	3.2
7.6	184,462,656	4.6
*	503,255	*
0.4	47,241,832	1.2
0.3	5,658,079	0.1
*	236,034	*
0.7	6,082,849	0.2
8.1	301,335,740	7.5
0.2	6,354,074	0.2
0.1	240,395	*
0.6	12,263,718	0.3
1.0	13,742,959	0.3
0.1	1,883,990	*
1.4	31,445,036	0.8
0.1	598,268	*
	$4,003,709,474	

ware; Beckley, West Virginia; Hendersonville County, North Carolina; Evansville, Indiana; Appleton, Wisconsin; and Billings, Montana.

Foundation Endowments (1984)

Ford Foundation
$1.5 million to *Consumers Foundation*

Giving by CORPORATIONS

	Contributions	Pretax Net Income (Billions)	Percent of Pretax Net Income
1970	$ 797	$75.4	1.05
1971	865	86.6	0.99
1972	1,009	100.6	1.00
1973	1,174	125.6	0.93
1974	1,200	136.7	0.87
1975	1,202	132.1	0.90
1976	1,487	166.3	0.89
1977	1,791	194.7	0.92
1978	2,084	229.1	0.91
1979	2,288	252.7	0.91
1980	2,600	234.6	1.01
1981	2,950	227.0	1.14
1982	2,950	174.2	1.69
1983	3,100	205.3	1.51
1984	3,45	237.5	1.46

CFAE estimate

The American business community contributed a record $3.45 billion to a cross-section of the nation's gift-supported organizations, institutions and agencies in 1984.

The American Association of Fund-Raising Counsel said the new total was 7.8 percent higher than the revised total for corporate giving in 1983, which the Council for Financial Aid to Education reported to be $3.20 billion.

CFAE traditionally estimates giving by the nation's business corporations and revises earlier-year figures as later data become available from both corporate reports and from the Internal Revenue Service's compilations of corporate income tax returns.

In 1984, the $3.45 billion estimate represented 4.6 percent of all philanthropy in the United States, compared with 4.8 percent for the year before.

There was no significance attached to the less than one-half of one percent loss in the portion of total philanthropy represented by corporate gifts.

An analysis of data on corporate pretax net income, supplied by the U.S. Department of Commerce, shows that in 1984 corporate contributions equalled 1.46 percent of net income, down from the 1.57 percent in 1983 and nearly a half percent less than the 1.76 percent reached in 1982.

But in that year corporate pre-tax net income dropped to $165.5 billion, or 25.1 percent below the year before, so the 1.76 percent of income given to charitable organizations was reflective only of the decline in income, rather than contributions themselves.

There is somewhat of a fallacy in using the pretax net income figure as a measurement of corporate giving. For one thing, the pretax net income total is the total for all U.S. corporations and only about 31 percent of them give any contributions at all. So by dividing the figure into the total given, the average for those that do give is lowered.

Aside from that, noted Kenneth N. Dayton, Vice Chairperson of the INDEPENDENT SECTOR and champion of a 5 percent corporate giving rate, statistics compiled by The Conference Board and the Council for Financial Aid to Education prove that smaller companies give more of their income than larger ones, and that nearly 130,000 U.S. corporations give two percent or more of their pretax net income to gift-supported organizations.

In a report issued by CFAE two years ago, IRS data were used to show that there were 70,939 corporations in

Contributions as a Percent of U.S. Pretax Net Income, 1983

Companies Grouped by Industry Class[1]

Industrial Classification	Number of Companies	U.S. Pretax Net Income (Sum) ($ Millions)	Contributions (Sum) ($ Thousands)	U.S. Pretax Net Income (Median) ($ Thousands)	Contributions (Median) ($ Thousands)	Percent of Contributions to U.S. Pretax Net Income (Median)
Chemicals	25	$ 6,892	$148,450	$102,500	$1,907	1.65%
Electrical machinery and equipment	28	12,120	161,001	102,332	1,180	1.19
Fabricated metal products	10	1,796	5,329	37,639	259	1.09
Food, beverage and tobacco	25	7,443	84,696	172,309	1,642	0.94
Machinery, nonelectrical	11	736	9,109	79,961	857	1.25
Mining	1	31	237	*	*	*
Paper and like products	12	874	18,936	56,816	734	1.01
Petroleum and gas	15	16,331	222,107	841,000	1,230	1.50
Pharmaceuticals	9	2,354	30,348	214,609	1,780	1.21
Primary metal industries	6	376	12,410	*	*	*
Printing and publishing	7	1,321	13,119	*	*	*
Rubber and miscellaneous plastic products	6	800	5,888	*	*	*
Stone, clay and glass products	7	687	7,127	*	*	*
Textiles	9	678	9,878	28,422	345	1.81
Transportation equipment	9	9,197	82,168	475,000	6,361	1.05
Total: Manufacturing	180	61,636	810,803	95,268	1,042	1.24
Banking	45	2,819	44,600	23,226	399	1.61
Business services	6	829	7,516	*	*	*
Engineering and construction	2	75	1,092	*	*	*
Finance	4	489	10,460	*	*	*
insurance[2]	41	2,295	51,887	40,594	505	1.77
Retail and wholesale trade	12	3,106	44,510	56,383	822	1.30
Telecommunications	19	11,671	86,914	457,000	2,342	0.50
Transportation	7	1,914	12,720	*	*	*
Utilities	52	15,021	41,868	151,442	572	0.29
Total: Non-manufacturing	188	38,219	301,567	64,174	607	0.99
Total: All Companies	368	99,855	1,112,370	79,831	796	1.12

[1]Loss companies excluded.

[2]Insurance company figures are based on "net gain from operations after dividends to policyholders and before federal income tax, excluding capital gains and losses"—the closest measure to pretax net income of corporations generally.

*Industries with less than 8 cases are excluded.

Source: Annual Survey of Corporate Contributions, 1983, The Conference Board, Council for Financial Aid to Education

the United States that gave between two and five percent of their income to charitable causes, but they represented only five percent of all American companies and accounted for only 6.2 percent of all corporate income. Still, the gifts they made represented 26 percent of total contributions.

Additionally, the IRS statistics show that there were 58,718 corporations which gave five percent or more and they accounted for 4.1 percent of all U.S. companies, and 3.1 percent of total net income. But they made 24.7 percent of all corporate contributions.

Taking those that gave between two and five percent of net income and those that gave above five percent to-

Distribution of Reported Grants by Recipient Organization Type in 1982, 1983 and 1984 Volumes

	Dollar Value of Grants						Number of Grants					
	1982		1983		1984		1982		1983		1984	
	Amount	%	Amount	%	Amount	%	No.	%	No.	%	No.	%
Educational Institutions	$634,449,836	42.5	$608,239,491	33.9	$578,088,524	35.1	8,316	30.6	9,454	29.4	9,887	29.1
Private Universities & Colleges	345,366,282	23.1	322,680,560	18.0	279,418,556	17.0	3,919	14.4	4,484	13.9	4,211	12.4
Public Universities & Colleges	127,045,203	8.5	107,300,608	6.0	138,943,125	8.4	1,724	6.4	2,172	6.8	2,492	7.3
Graduate Schools	84,740,767	5.7	119,747,672	6.6	105,781,454	6.4	1,114	4.1	1,229	3.8	1,584	4.7
Junior/Community Colleges	4,388,085	0.3	5,395,142	0.3	7,082,120	0.4	91	0.3	139	0.4	186	0.5
Schools	72,909,499	4.9	53,115,509	3.0	46,863,269	2.9	1,468	5.4	1,430	4.5	1,414	4.2
Direct Service Agencies	276,505,434	18.5	403,070,955	22.5	353,688,629	21.5	7,981	29.4	9,600	29.8	9,672	28.4
Hospitals & Medical Care Facilities	120,452,426	8.1	130,261,394	7.3	114,161,422	6.9	1,660	6.1	1,896	5.9	1,903	5.6
Research Institutes	77,373,178	5.2	165,034,808	9.2	144,661,240	8.8	1,101	4.1	1,357	4.2	1,451	4.3
Associations & Professional Societies	94,834,012	6.3	133,740,765	7.5	148,201,517	9.0	2,600	9.6	3,589	11.2	3,903	11.5
Museums & Historical Societies	88,175,431	5.9	88,120,853	4.9	90,908,369	5.5	1,134	4.2	1,258	3.9	1,300	3.8
Performing Arts Groups	60,610,977	4.1	82,162,693	4.6	75,597,995	4.6	1,668	6.1	1,910	5.9	2,031	6.0
Government Agencies	47,394,184	3.2	46,104,391	2.6	51,959,527	3.2	669	2.5	835	2.6	947	2.8
Community Funds	42,982,909	2.9	60,387,239	3.4	64,992,984	3.9	718	2.7	993	3.1	1,081	3.2
Libraries	26,511,466	1.8	36,939,705	2.1	24,621,096	1.5	370	1.4	378	1.2	421	1.2
Churches & Temples	24,800,332	1.7	24,341,632	1.4	22,938,957	1.4	572	2.1	539	1.7	745	2.2

Source: Foundation Grants Index, 14th Edition

Vocational	7,306,362	0.4	9,542,919	0.6	212	0.7	249	0.7
TOTAL EDUCATION	286,005,941	16.0	285,837,060	17.4	5,775	17.9	6,099	17.9
Health								
General	22,932,617	1.3	23,009,383	1.4	307	1.0	396	1.2
Medical & Health Education	65,167,373	3.6	57,468,951	3.5	627	1.9	549	1.6
Medical Care & Treatment	138,492,281	7.7	125,049,672	7.6	2,130	6.6	2,017	5.9
Medical Research	92,575,793	5.2	91,403,371	5.5	757	2.4	917	2.7
Mental Health	25,162,308	1.4	27,515,824	1.7	559	1.7	635	1.9
Public Health	45,190,199	2.5	64,335,338	3.9	967	3.0	1,396	4.1
TOTAL HEALTH	389,520,571	21.7	388,782,539	23.6	5,347	16.6	5,910	17.4
Religion								
General	24,928,597	1.4	27,899,720	1.7	466	1.5	589	1.7
Religious Education	12,574,978	0.7	10,451,266	0.6	198	0.6	223	0.7
TOTAL RELIGION	37,503,575	2.1	38,350,986	2.3	664	2.1	812	2.4
Science								
General	25,256,599	1.4	23,070,553	1.4	313	1.0	283	0.8
Life Sciences	44,595,830	2.5	28,881,380	1.7	486	1.5	348	1.0
Physical Sciences	23,361,182	1.3	18,089,230	1.1	497	1.6	507	1.5
Technology	67,703,768	3.8	54,118,908	3.3	747	2.3	1,011	3.0
TOTAL SCIENCE	160,917,379	9.0	124,160,071	7.5	2,043	6.4	2,149	6.3
Social Science								
General	34,693,880	1.9	22,089,746	1.3	310	1.0	336	1.0
Anthropology	6,491,069	0.4	6,893,233	0.4	85	0.3	79	0.2
Economics	18,912,147	1.1	12,577,129	0.8	394	1.2	311	0.9
Law & Legal Education	13,021,894	0.7	12,037,877	0.7	275	0.8	293	0.9
Political Science	58,943,320	3.3	73,227,572	4.4	1,161	3.6	1,336	3.9
TOTAL SOCIAL SCIENCE	132,062,310	7.4	126,825,557	7.6	2,225	6.9	2,355	6.9
Welfare								
General	114,965,578	6.4	109,826,087	6.7	3,317	10.3	3,682	10.8
Business & Employment	56,472,201	3.2	55,311,648	3.4	1,485	4.6	1,466	4.3
Community Affairs	110,261,434	6.1	90,360,380	5.5	2,237	7.0	1,838	5.4
Consumer Interests	845,118	0.0	651,724	0.0	31	0.1	33	0.1
Crime & Law Enforcement	12,255,146	0.7	13,579,438	0.8	319	1.0	379	1.1
Environment & Energy	91,726,191	5.1	49,975,527	3.0	964	3.0	983	2.9
Equal Rights & Legal Services	23,200,303	1.3	23,755,528	1.4	594	1.8	599	1.8
Recreation	47,555,635	2.7	43,810,243	2.7	1,097	3.4	1,104	3.2
Rural Development	9,332,066	0.5	17,530,281	1.1	149	0.5	242	0.7
Urban Development	42,589,128	2.4	48,933,281	3.0	767	2.4	847	2.5
TOTAL WELFARE	509,202,800	28.4	453,734,137	27.6	10,960	34.1	11,173	32.8
TOTAL GRANTS	1,792,519,313	100.0	1,646,710,677	100.0	32,165	100.0	34,040	100.0

Source: Foundation Grants Index, 14th Edition

gether, they total 129,657 corporations–each donating in excess of two percent. Together, they equal only 9.1 percent of all the corporations in the U.S. and produce only 9.3 percent of all the corporate net income, while they give 50.7 percent of all corporate contributions.

When the size of the companies was examined, it was found that the 43 largest corporations in the United States accounted for 26.1 percent of corporate net income and made 13.6 percent of all corporate contributions.

The CFAE-Conference Board study released a year ago and covering 1982 showed that the median gift for companies with pretax net income of $1 billion and over equalled 0.65 percent of their pretax net income, while for companies with below $5 million in income, the median gifts equalled 6.84 percent of income.

An examination of the most recent data gathered by CFAE and The Conference Board shows no change in that inverse correlation.

In that survey, the firms with pretax income below $5 million gave a median contribution ratio of 3.71 percent, compared with a median of 0.78 percent for those companies with income of $1 billion and more.

Thus, the belief that only a handful of large U.S. corporations account for the bulk of corporate giving is not true.

An examination of data in the CFAE-Conference Board survey gives an indication of which industries contribute the greatest share of their income to charitable organizations.

The study grouped industry classes in the lower, median and upper quartiles and the insurance industry comes up on top in the median contribution ratio, with 1.77 percent of its domestic pretax income being given to gift-supported organizations.

Lowest was the utility industry, with 0.29 percent of domestic income. Chemicals, with 1.65 percent, electrical machinery and equipment with 1.19 percent, fabricated metal products with 1.09 percent, nonelectrical machinery with 1.25 percent, pe-

Contributions as a Percent of U.S. Pretax Net Income–Quartile Rank, 1982
Companies Grouped by Size of U.S. Income

U.S. Pretax Net Income	Number of Companies	Contributions' Ratios[1]		
		Lower Quartile	Median	Upper Quartile[2]
Below $5 million	11	3.71%	5.58%	41.16%
$5-9.9 million	19	1.90	2.28	3.50
$10-24.9 million	52	0.91	1.62	2.86
$25-49.9 million	51	0.91	1.33	2.03
$50-99.9 million	73	0.49	0.96	1.60
$100-249.9 million	58	0.48	0.83	1.67
$250-499.9 million	52	0.37	0.85	1.58
$500-999.9 million	28	0.33	0.81	1.51
$1 billion and over	24	0.46	0.78	1.29
All Income Groups	368	0.63	1.12	1.97

[1]The statistics presented here are derived only from companies with positive net income.
[2]This is the 75th percentile.

Source: Annual Survey of Corporate Contributions, 1983, The Conference Board/Council for Financial Aid to Education

Summary of Charitable Contributions Expenditures
(Millions of dollars)

Description	Company Foundation		Direct Giving Program		Total	
	Sum	Percent	Sum	Percent	Sum	Percent
Cash	$509.14 (239)	99.87	$599.95 (402)	81.19	$1,109.09 (446)	88.82
Securities	0.05 (1)	0.01	4.60 (12)	0.62	4.64 (13)	0.37
Company Product	0.00 (0)	0.00	74.61 (79)	10.10	74.61 (79)	5.97
Property other than product	0.63 (2)	0.12	59.76 (83)	8.09	60.39 (85)	4.84
Total	509.82 (239)	100.00	738.92 (406)	100.00	1,248.73 (447)	100.00

(Numbers in parentheses are counts of non-zero answers.)

Source: Annual Survey of Corporate Contributions, 1983, The Conference Board; Council for Financial Aid to Education

troleum and gas with 1.50 percent, banking with 1.61 percent and paper and like products with 1.01 percent were joined by retail and wholesale trade with 1.30 percent as other industries which all gave above 1.00 percent of their net income.

The most recent Annual Survey of Corporate Contributions, conducted by Anne Klepper and Linda Cardillo Platzer of The Conference Board and Anne F. Decker of the Council for Financial Aid to Education, shows that both direct corporate gifts and gifts from corporate foundations combined to boost the overall corporate giving figures.

Corporate foundations have increased their giving each year since the dip in corporate profits in 1980, and while the final figures for 1984 are not available, in 1983 the companies in the joint survey reported a $21 million increase in company foundation giving. The increase occurred in spite of a drop in the total number of companies reporting between the two years – from 286 firms in 1982 to 270 companies in 1983. So in all probability, the increase was even larger than that shown by the survey results.

In addition to the gifts from corporate foundations and the direct giving from corporations, the survey reported that a total of 208 companies had $167,947,000 in corporate assistance expenditures that were not taken as a charitable deduction on the firms' tax returns. These expenses included cash given to charitable organizations but not claimed, loans of company personnel, donations of product and property not taken as a charitable contribution on tax returns, the use of corporate facilities or services, loans at below market value interest, and administrative expenses for the contributions functions of the companies.

The latest survey showed an aggregate decline of 18 percent in the amount of corporate assistance between 1982 and 1983, but the companies reporting did show an increase in administrative costs and in spending related to loaning of company personnel. The total given in the forms of product and property donations fell the most but the difference from year to year is not at all unusual.

During 1982 some companies made large one-time donations of company products and property and when that type of giving happens it does have the influence of distorting the data.

An examination of medians, however, gives a more accurate picture of the companies' assistance expenditures

and that shows an increase in corporate assistance from $185,000 to $220,800. Each category, when examined in that manner, shows an increase, with the exception of loans at below market level. For the median company in the study, corporate assistance accounted for 19 percent of charitable activity in 1982 and 15 percent in 1983.

A summary of charitable contributions expenditures shows that cash gifts equalled 88.82 percent of all giving, while securities accounted for 0.37 percent. Company products accounted for 5.97 percent and property donated, other than products, equalled 4.84 percent. The donation of company products has helped to increase the share of corporate contributions that are going to the field of education, since firms are entitled to deduct gifts of their product to research purposes.

In the latest CFAE-Conference Board study, education received 39.0 percent of all corporate gifts made by 471 companies reporting. The year before, education's share was 40.7 percent of total giving by 534 companies. The decline in the percentage from year to year is most likely a result of fewer companies reporting, rather than any shift in contribution patterns.

The same study showed that corporate giving to health and human services totaled $367.6 million, or 28.7 percent of the total, compared with $397.3 million or 31 percent a year before. But unlike education, corporate giving to health and human services has declined as a portion of the total for at least three consecutive years and despite the lesser number of companies reporting, there may be a trend toward funneling corporate donations

Distribution of Corporate Contributions
(millions of dollars)

	1983 471 companies		1982 534 companies		1981 788 companies	
Health and Human Services	$ 367.6	28.7%	$ 397.3	31.0%	$393.4	33.6%
Education	498.8	39.0	522.2	40.7	429.8	36.7
Culture and Art	145.2	11.4	145.8	11.4	139.6	11.9
Civic and Community Activities	188.8	14.8	149.3	11.7	136.7	11.7
Other	78.0	6.1	67.0	5.2	71.3	6.1
Total	$1,278.4	100.0%	$1,281.6	100.0%	$1,170.8	100.0%

Source: Annual Survey of Corporate Contributions, 1983. The Conference Board, Council for Financial Aid to Education.

Structure of Corporate Contributions
(millions of dollars)

	1983		1982		1981	
Total company contributions	$1,250.7	(484)	$1,116.8	(519)	$1,039.1	(768)
Less: Grants to company foundations	435.7	(159)	367.1	(186)	361.6	(239)
Other company contributions	815.0	(461)	749.7	(494)	677.5	(735)
Plus: Contributions by company foundations	553.0	(270)	531.9	(286)	493.3	(359)
Total corporate contributions	1,368.0	(503)	1,281.6	(534)	1,170.8	(789)

(Numbers in parentheses are counts of non-zero answers.)

Source: Annual Survey of Corporate Contributions, 1983. The Conference Board, Council for Financial Aid to Education.

Corporate Contributions and Corporate Income Before Taxes

Year	Contributions Amount ($ Millions)	Income[1] before Taxes ($ Millions)	Contributions As Percent of Income before Taxes
1936	$ 30	$ 7,900	0.38%
1937	33	7,900	0.42
1938	27	4,100	0.65
1939	31	7,200	0.43
1940	38	10,000	0.38
1941	58	17,900	0.32
1942	98	21,700	0.45
1943	159	25,300	0.63
1944	234	24,200	0.97
1945	266	19,800	1.34
1946	214	24,800	0.86
1947	241	31,800	0.76
1948	239	35,600	0.67
1949	223	29,200	0.76
1950	252	42,900	0.59
1951	343	44,500	0.77
1952	399	39,600	1.01
1953	495	41,200	1.20
1954	314	38,700	0.81
1955	415	49,200	0.84
1956	418	49,600	0.84
1957	419	48,100	0.87
1958	395	41,900	0.94
1959	482	52,600	0.92
1960	482	49,800	0.97
1961	512	49,700	1.03
1962	595	55,000	1.08
1963	657	59,600	1.10
1964	729	66,500	1.10
1965	785	77,200	1.02
1966	805	83,000	0.97
1967	830	79,700	1.04
1968	1,005	88,500	1.13
1969	1,055	86,700	1.22
1970	797	75,400	1.06
1971	865	86,600	1.00
1972	1,089	100,600	1.00
1973	1,174	125,600	0.93
1974	1,200	136,700	0.88
1975	1,202	132,100	0.91
1976	1,487	166,300	0.89
1977	1,791	194,700	0.92
1978	2,084	229,100	0.91
1979	2,288	252,700	0.91
1980	2,359	234,600	1.01
1981	2,514	221,200	1.14
1982	2,989P	165,500	1.76
1983	3,200RI	203,200R	1.57
1984	3,450	236,200P	1.46

P–Preliminary
R–Revised
1–CFAE estimate

Source: Annual Survey of Corporate Contributions, 1985, The Conference Board/Council for Financial Aid to Education

to areas other than health and human services.

The category of culture and arts remained at the same portion of corporate giving in both survey years–11.4 percent of the total. With the smaller number of firms reporting, and the total dollars given in both years essentially the same at $145 million, this probably means that companies are increasing support to the arts category.

Any doubt about corporate support of civic and public affairs activities is erased with this year's report, which shows that both the portion of corporate contributions and the total dollars are up.

The most recent survey shows 14.8 percent of the gifts reported by the 471 companies going to civic and public affairs, compared with 11.7 percent a year earlier from 534 companies. In dollars, the increase is also evident–from $149.3 million a year ago to $188.8 million in the most recent study. The reason for the increase is not clear, especially in view of the fact that for the previous two years contributions to the civic and public affairs category from reporting corporations remained at 11.7 percent of the total.

The survey disclosed an increase of just under a full percentage point in the share of corporate contributions going to the "other" category–from 5.2 percent to 6.1 percent in the most recent year. There was no particular significance to that, however, since the share was also 6.1 percent two years ago.

The Growth of Philanthropy 1968-84

Year	Total Giving (billions)	Gross National Product (billions)	As % of GNP
1968	$18.95	$ 864.2	2.19
1969	20.79	930.3	2.23
1970	21.02	977.1	2.15
1971	23.44	1,054.9	2.22
1972	24.48	1,158.0	2.11
1973	25.70	1,306.3	1.97
1974	26.98	1,406.9	1.92
1975	28.61	1,499.0	1.91
1976	32.06	1,691.4	1.89
1977	36.34	1,887.2	1.92
1978	38.95	2,106.9	1.85
1979	43.69	2,368.8	1.84
1980	49.08	2,626.5	1.87
1981	55.88	2,924.8	1.91
1982	60.07	3,057.6	1.96
1983	66.82	3,310.8	2.02
1984	74.25	3,662.8	2.03

TOTAL GIVING

1955-84

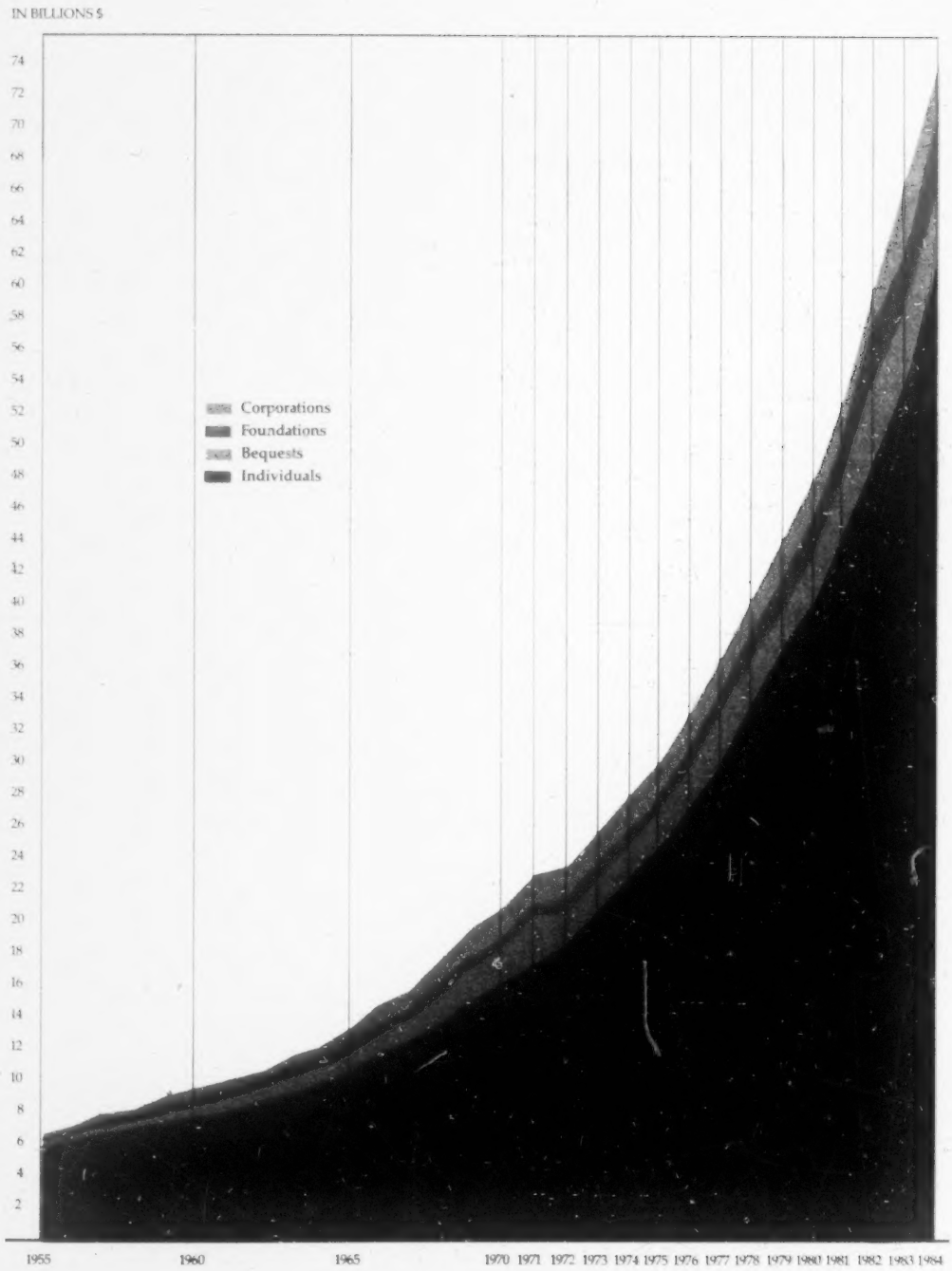
(in billions)

	Amount
1955	$ 7.70
1956	8.33
1957	9.26
1958	9.50
1959	10.37
1960	10.92
1961	11.36
1962	11.88
1963	13.21
1964	13.70
1965	14.75
1966	15.80
1967	17.04
1968	18.95
1969	20.79
1970	21.02
1971	23.44
1972	24.48
1973	25.70
1974	26.98
1975	28.61
1976	32.06
1977	36.34
1978	38.95
1979	43.69
1980	49.08
1981	55.88
1982	60.07
1983	66.82
1984	74.25

DONORS

(in Billions)

Corporations		Foundations		Bequests		Individuals	
1955	$ .415	1955	$ .300	1955	$ .237	1955	$ 6.75
1956	.418	1956	.305	1956	.239	1956	7.33
1957	.419	1957	.502	1957	.450	1957	7.89
1958	.395	1958	.505	1958	.451	1958	8.15
1959	.482	1959	.702	1959	.512	1959	8.68
1960	.482	1960	.710	1960	.574	1960	9.16
1961	.412	1961	.702	1961	.650	1961	9.50
1962	.595	1962	.701	1962	.701	1962	9.89
1963	.657	1963	.821	1963	.880	1963	10.86
1964	.729	1964	.830	1964	.951	1964	11.19
1965	.785	1965	1.13	1965	1.02	1965	11.82
1966	.805	1966	1.25	1966	1.31	1966	12.44
1967	.830	1967	1.40	1967	1.40	1967	13.41
1968	1.005	1968	1.60	1968	1.60	1968	14.75
1969	1.055	1969	1.80	1969	2.00	1969	15.93
1970	.797	1970	1.90	1970	2.13	1970	16.19
1971	.865	1971	1.95	1971	3.00	1971	17.62
1972	1.009	1972	2.00	1972	2.10	1972	19.37
1973	1.174	1973	2.00	1973	2.00	1973	20.53
1974	1.200	1974	2.11	1974	2.07	1974	21.60
1975	1.202	1975	1.65	1975	2.23	1975	23.53
1976	1.487	1976	1.90	1976	2.36	1976	26.32
1977	1.791	1977	2.00	1977	2.99	1977	29.55
1978	2.084	1978	2.17	1978	2.60	1978	32.10
1979	2.288	1979	2.42	1979	2.23	1979	36.59
1980	2.600	1980	2.81	1980	2.86	1980	40.71
1981	2.900	1981	3.07	1981	3.49	1981	46.42
1982	2.950	1982	3.16	1982	5.45	1982	48.52
1983	3.200	1983	3.97	1983	4.52	1983	55.13
1984	3.450	1984	4.36	1984	4.89	1984	61.55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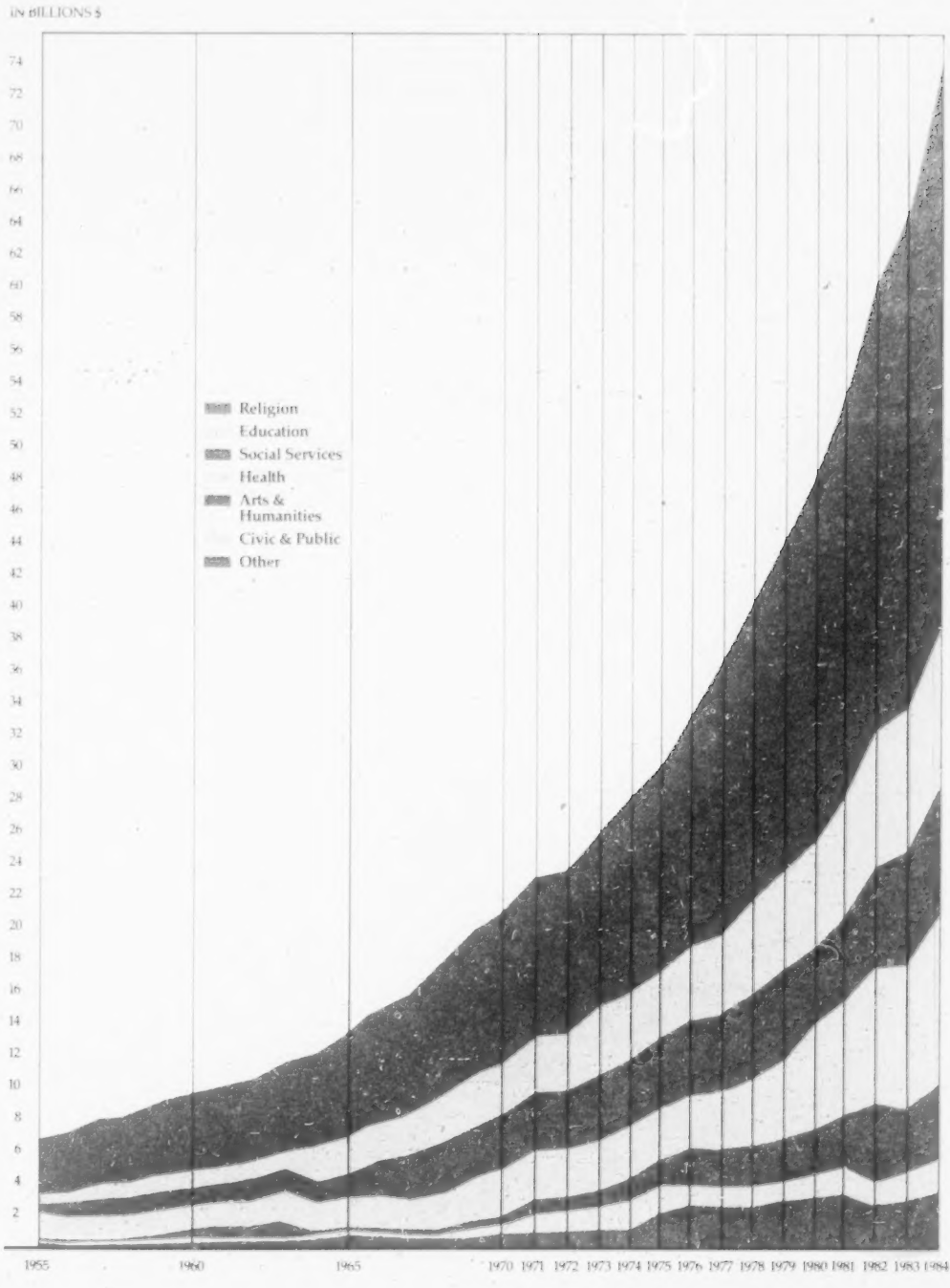
RECIPIENTS

In Billion $

	Religion	Education	Social Services	Health & Hospitals	Arts & Humanities	Civic & Public	Other
1955 . . .	$ 3.48	$ .883	$1.68	$ .746	$ .349	$ .225	$ .347
1956 . . .	3.93	.817	1.60	1.10	.322	.250	.322
1957 . . .	4.22	1.07	1.70	1.21	.359	.279	.454
1958 . . .	4.34	1.17	1.66	1.33	.353	.272	.350
1959 . . .	4.76	1.54	1.63	1.35	.397	.290	.383
1960 . . .	5.01	1.72	1.63	1.35	.408	.314	.502
1961 . . .	5.23	1.79	1.69	1.40	.415	.318	.517
1962 . . .	5.45	1.88	1.77	1.56	.410	.312	.498
1963 . . .	5.84	2.19	1.97	1.74	.485	.374	.601
1964 . . .	6.14	2.28	1.92	1.68	.435	.387	.828
1965 . . .	6.72	2.47	2.07	1.67	.436	.383	1.01
1966 . . .	7.22	2.51	2.07	2.23	.536	.390	.861
1967 . . .	7.58	2.63	2.07	3.00	.559	.411	.790
1968 . . .	8.42	3.13	2.31	3.22	.604	.428	.848
1969 . . .	9.02	3.34	2.71	3.40	.718	.561	1.01
1970 . . .	9.34	3.28	2.92	3.44	.663	.455	.932
1971 . . .	10.07	3.65	3.01	3.74	1.01	.684	1.31
1972 . . .	10.19	3.83	3.16	3.94	1.10	.820	1.45
1973 . . .	10.53	4.11	3.07	4.16	1.26	.620	1.92
1974 . . .	11.84	4.04	3.02	4.19	1.20	.670	2.05
1975 . . .	12.81	3.75	2.94	4.22	1.56	.790	2.55
1976 . . .	14.18	4.35	3.02	4.79	2.27	1.03	2.40
1977 . . .	16.98	4.79	3.57	4.95	2.32	1.22	2.53
1978 . . .	18.35	5.45	3.87	5.38	2.40	1.08	2.44
1979 . . .	20.17	6.02	4.48	6.06	2.73	1.23	2.97
1980 . . .	22.28	6.91	4.96	6.72	3.19	1.50	3.50
1981 . . .	25.11	7.85	5.68	7.72	3.71	1.84	3.97
1982 . . .	28.07	8.45	6.34	8.42	4.97	1.68	2.16
1983 . . .	31.88	9.29	7.16	9.43	4.21	1.89	2.96
1984 . . .	35.56	10.08	8.01	10.44	4.64	2.08	3.44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Religion
Education
Social Services
Health
Arts & Humanities
Civic & Public
Other
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1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984

AREAS OF PHILANTHROPIC OPPORTUNITY

Religion
Education
Social Services
Health & Hospitals
Arts & Humanities
Civic & Public

Giving to **RELIGION**

	Amount (Billions)
1970	$9.30
1971	9.98
1972	10.02
1973	10.52
1974	11.94
1975	12.91
1976	14.22
1977	16.93
1978	18.45
1979	20.14
1980	22.15
1981	24.85
1982	28.06
1983	31.03
1984	35.56

Giving to religion reached $35.56 billion in 1984.

The American Association of Fund-Raising Counsel said the total was a new record and represented an increase of 11.5 percent from the revised total of $31.88 billion in gifts to religion during 1983.

The AAFRC revised its giving allocations for the donee categories when it revised individual giving figures for the past 28 years. Those revisions became necessary when new econometric data showed that original estimates for individual giving were too low in nearly all of the years.

The new data was compiled for the Association at the request of its Advisory Council on Methodology, which had been working for more than a year at improving the methodology used to determine giving by living individuals. The Council recommended that Dr. Ralph Nelson, an economist with long standing in the philanthropic community and a professor of economics at Queens College in New York, construct an econometric model to determine individual giving with the least margin of error.

As a portion of all charitable giving in the United States during 1984, donations to religious organizations, institutions and agencies represented 47.9 percent, a nonsignificant change from the 47.8 percent a year before.

The Association said that in recent years giving to religion has stayed at about the same portion of the overall total–and that is consistent with figures for overall church attendance in the United States.

Church attendance is perhaps the most important factor in giving to religion since the vast majority of money given to religion is donated during church services.

The most recent data from the Princeton Religion Research Center show that in a typical week of 1984, four adults in every 10 attended church or synagogue services. That matches the figure for 1983.

Churchgoing has remained relatively steady at 40 percent to 41 percent of adults attending services every year since 1972. The highest point of attendance was 49 percent in 1955 and again in 1958. In those years, giving to religion equalled 50 percent and 51 percent, respectively, of all charitable contributions.

Catholics are better at attending church service than Protestants, according to the latest data. In 1984, 51 percent of Catholics throughout the country attended Mass, compared with 39 percent of Protestants, and those figures barely changed from year-earlier data.

And consistent with past years, more women than men attended

Trend in Religious Preference

	Protest. %	Cath. %	Yearly Jewish %	Other %	None %
1984	57	28	2	4	9
1983	56	29	2	4	9
1982	57	29	2	4	8
1981	59	28	2	4	7
1980	61	28	2	2	7
1979	59	29	2	2	8
1977-78	60	29	2	1	8
1976	61	27	2	4	6
1975	62	27	2	4	6
1974	60	27	2	5	6
			By 5-year periods		
1972	63	26	2	4	5
1967	67	25	3	3	2
1962	70	23	3	2	2
1957	66	26	3	1	3
1952	67	25	4	1	2
1947	69	20	5	1	6

(Note: Results for some years do not add to 100% because of rounding.)

National	57	28	2	4	9
18-24 yrs	52	30	2	5	11
25-29 yrs	50	30	2	5	13
30-49 yrs	56	28	3	4	9
50-64 hrs	62	28	3	2	5
65 & older	66	24	3	2	5
Men	55	27	3	3	12
Women	59	28	2	4	7
East	40	44	6	3	7
Midwest	63	26	1	2	8
South	74	16	1	2	7
West	48	26	2	10	14
Whites	55	29	3	4	9
Blacks	82	7	*	3	8
Hispanics	18	70	*	2	10
College grads	53	26	6	3	12
College inc.	55	28	3	4	10
H.S. grads	61	27	1	3	8
Not H.S. grads	62	28	*	3	7

*Less than 1%.

Source: Religion in America, 1985

church, and older people attended more often than younger, which may explain in some measure why older people give more to charitable organizations than younger ones.

Geographically, attendance at church is better in the South and Midwest than in the East and West. That, too, hasn't changed from previous years.

Members of The Church of Jesus Christ of Latter Day Saints (Mormon) led all the organized religions in atten-

dance with 53 percent, followed by Southern Baptists with 46 percent.

While Catholics were better overall than Protestants in their church attendance, the decline has also been sharpest among Catholics since 1958. Catholic attendance has fallen 23 points from 74 percent to 51 percent while Protestant churchgoing has declined only by five points, to 39 percent from a high of 44 percent.

While attendance at a national level stands at 40 percent, membership in a church or synagogue is much higher. Data from surveys conducted by George Gallup show that 68 percent of Americans say they belong to a religious group. And while membership may be considered to be a link to giving, it should be recognized that membership for some means simply they were born into the religion–Catholics are in that category for example–and do not necessarily support it financially.

An insight to those who do financially support religion and to what extent, can be obtained from data gathered by the National Council of Churches.

That data show a slight gain in church membership over the year–from 59.6 percent of the U.S. population to 60.1 percent, along with a rise of 1.2 million in the number of individuals who make up that membership.

The NCC reported a total of $11,672,316,232 in contributions to 40 United States Protestant church bodies, and that represented an increase of 8.7 percent from the $10,745,238,196 the denominations received the year before. But because the total number of bodies reporting changes each year, a more accurate comparison can be obtained by looking at large mainline religions.

In that group, virtually every denomination increased in membership

Church Attendance

	Protestants %	Catholics %
1984	39	51
1983	39	52
1982	41	51
1981	40	53
1980	39	53
1979	40	52
1978	40	52
1968	38	65
1958	44	74

Source: Religion in America, 1985

Church/Synagogue Membership

National	68%
Men	63
Women	73
18-29 years old	58
30-49 years old	69
50 and older	75
East	67
Midwest	72
South	74
West	57
Catholics	80
Protestants	72
Jews	58
Whites	68
Blacks	74
Hispanic	68
College graduate	69
College inc.	70
High school graduate	67
High school inc.	67
Grade school	72
All Baptists	74
Southern Baptists	81
Methodists	71
Lutherans	76
Presbyterians	72
Episcopalians	73
Latter-day Saints	87

Source: Religion in America, 1985

Number of United States Churches, and of Members, by Religious Groups

	Number of Bodies Reporting	Number of Churches	Number of Members
Buddhists	1	100	70,000
Eastern Churches	18	1,656	4,033,668
Jews*	1	3,500	5,728,075
Old Catholic, Polish National Catholic, Armenian Churches	7	436	1,149,687
Protestants**	186	307,147	77,253,700
Roman Catholic	1	24,260	52,392,934
Miscellaneous***	5	1,145	188,321
Totals	219	338,244	140,816,385

*Including Orthodox, Conservative and Reformed branches.
**Some bodies included here are, strictly speaking, not "Protestant" in the usual sense, such as various Latter-Day Saints groups and Jehovah's Witnesses.
***This is a grouping of bodies officially non-Christian, including those such as Spiritualists, Ethical Culture Movement, and Unitarian-Universalists.

Source: Yearbook of American and Canadian Churches, 1985 edited by Constant H. Jacquet, Jr., Nashville, Abingdon Press, 1985

and overall contributions, although one–The Presbyterian Church in the United States–showed a small decline in the average per capita gift.

The decline may be attributable to the combining of the United Presbyterian Church in the U.S.A. with the Presbyterian Church in the United States.

The Episcopal Church showed an increase of 13.6 percent in the average per capita gift, to a new high of $459.89. The increase was probably the result of the Church's success in its "Venture in Mission" campaign, and the adoption by the church's latest convention of the "principle of the modern tithe," according to Constant Jacquet, editor of the National Council of Churches statistical report, "Church Financial Statistics and Related Data."

The average per capita gift for 11 of the major Protestant denominations increased from $249.70 to $267.60–or 7.1 percent. That was significantly lower then the 11.5 percent increase registered in per capita giving the previous year, but there was no ready explanation for the fall in growth.

Overall, contributions to the 11 mainline churches grew to $10.4 billion, up 7.7 percent for the year. The gain was less than a year before when the same groups showed a 9.2 percent overall increase in contributions, and again, there was no single reason–or even list of reasons–for the slower growth.

Gallup's survey on church membership showed that 63 percent of all men are members of a church, and 73 percent of all women claim membership. In a related study, Gallup found that women attend church more often than men, so the membership and attendance figures may be more closely related than is generally thought to be the case.

The older one gets, the more the membership increases.

And fortunately for the churches, the contributions increase, too, since

the prime age of 35-64 seems to have the best record for church membership. The Gallup study showed that 58 percent of those between 18-29 years of age are church members, while 69 percent between the ages of 30-49 belong to a church or synagogue. The figure jumps to 75 percent once the age gets to 50 years and older, giving credibility to the long-held belief that older persons go to church more than younger people.

Membership is highest in the South (with 74 percent) and lowest in the West (with 57 percent). In the Midwest membership is 72 percent while 67 percent of those people in the East claim membership in a church or synagogue.

Eighty percent of all Catholics say they are members of a Church, although the baptism figures would show that to be higher. Among Protestants, 72 percent claim membership and 58 percent of Jews say they are members of a synagogue.

A greater portion of blacks are members of churches than whites, (74 percent to 68 percent) while Hispanics claim the same membership proportion as whites.

Somewhat surprising, those with only a grade school education lead membership statistics, with 72 percent of them saying they are members, and because they are probably on the lower income level, that doesn't help financially. But 70 percent of those with some college also say they are members, so that may balance in the end. The impact of religious broadcasting on church attendance and church membership has long been an issue of debate, with many believing that those who would be an audience for the electronic church would take away from the support of the mainline religions.

But it has been shown by a nationally conducted study that religious television is not the enemy or

Church/Synagogue Membership
(% Saying they are members)

1984	68%
1983	69
1982	67*
1981	68
1980	69
1979	68
1978	68
1977	70
1976	71
1975	71
1965	73
1952	73
1947	76**
1944	75
1942	75
1940	72
1939	72
1938	73
1937	73

*Low point
**High point

Church/Synagogue Attendance

1984	40%
1983	40
1982	41
1981	41
1980	40
1979	40
1978	41
1977	41
1972	40
1969	42
1967	43
1962	46
1958	49*
1957	47
1955	49*
1954	46
1950	39
1940	37**
1939	41

*High point.
**Low point.

Source: Religion in America, 1985

Protestant Giving in Major Denominations

Church & Membership*	Total Contributions (millions) 1983	1984	Per Capita Gift 1983	1984
American Baptist Churches in the U.S.A. (1.63 million)	$267.97	$284.20	$165.24	$173.60
American Lutheran Church (1.76 million)	$436.85	$460.13	$248.46	$261.97
Church of the Nazarene (506,539)	$256.27	$272.32	$515.38	$537.73
Episcopal Church (1.90 million)	$778.18	$876.84	$404.84	$459.89
Lutheran Church in America (2.17 million)	$518.78	$546.15	$238.38	$250.89
Lutheran Church—Missouri Synod (1.98 million)	$543.92	$596.51	$274.54	$300.63
Presbyterian Church in the U.S. (3.12 million)	$1,169.55	$1,245.73	$409.71	$398.99
Seventh-Day Adventists (623,563)	$436.31	$467.09	$719.62	$749.08
Southern Baptist Convention (14.18 million)	$3,114.67	$3,367.35	$222.60	$237.50
United Church of Christ (1.70 million)	$376.43	$388.33	$220.30	$227.64
United Methodist Church (9.41 million)	$1,794.71	$1,931.79	$189.78	$205.39

Total Membership: 39.01 million

Total Contributions
$10,436.44 million (up 7.7%)

Average Per Capita Gift:
$267.60 (up 7.1%)

*Full or confirmed figures are given.

Source: Yearbook of American and Canadian Churches, 1985 edited by Constant H. Jacquet, Jr., Nashville, Abingdon Press, 1985

competitor of the local church after all, but rather its strongest ally.

The study concluded that people who watch religious television are more likely to attend and be involved with their local churches than those who do not, and that people who watch religious television are more likely to give more–not less–to their own churches.

The study found the real enemy of the local church to be commercial television. It hooks people on prime-time television "that promotes messages often negative to religion and Christianity–in other words, too much 'of the world'," the National Association of Religious Broadcasters said.

The study disclosed that women constitute 56 percent of the viewers of religious TV programs, while men account for the remaining 44 percent. Eighty-eight percent of the audience are over the age of 30–the prime giving age.

The National Association of Religious Broadcasters was not able to provide data on contributions to "electronic churches" but found that its members are responsible for more than 80 percent of the nation's religious broadcasting and are active in religious broadcasting throughout the world.

The NRB said that North Carolina is the state with the largest number of religious radio stations in the U.S., with 54. California has 52, Texas 49, Pennsylvania 47 and Georgia 46.

Of 9,431 radio stations in the United States, 1,043 broadcast a full or part-time religious format, NRB said.

The most recent data, released in January, 1985, indicate a 16.5 percent growth in U.S. religious television stations during 1984. There were 65 television stations with a full or part-time religious format in 1983, 79 in early 1984 and 92 by the end of that year. Of the 92, 11 are new television

stations with a religious format and seven are low-power religious television stations.

The NRB is an association with more than 1,100 organizations engaged in the production of religious programming for radio and television.

Because religious organizations do not report to IRS or any other federal or state agency, it has always been difficult to even judge the size of the religious community. Recently, there has been some question as to the full extent of the philanthropy provided by religious groups.

To help close the gap in information, the Council on Foundations queried some 2,700 national and regional religious organizations and obtained results which demonstrate that religious organizations spend as much to meet human and social needs as corporations and foundations.

The study also found that religious groups have and express a concern that the need for social services and the money to provide the services is growing and this is resulting in a greater willingness to cooperate so that both religions and foundations can increase their effectiveness.

Another study, conducted by Lester M. Salamon, director of the Center for Governance and Management Research at the Urban Institute and Fred C. Teitlebaum, chief planner for the Arizona Department of Health Services, found that while religious organizations cannot replace government support of human services, they perform a crucial role in socializing individuals to the importance of charity.

Distribution of religious federation support of nonprofits, 1982

Type of Agency	Religious Federation Income as % of Total Income	Share of Religious Federation Support
ALL AGENCIES	1.3%	100.0%
By Service Field		
Social Services	2.0%	22.0%
Institutional/residential care	2.9	28.8
Health	0.2	1.9
Mental Health	0.1	0.2
Employment and training	0.2	0.8
Education and research	1.7	9.8
Housing, community devel.	0.6	0.9
Culture, arts	0.3	3.6
Legal services/advocacy	0.3	1.2
Mixes	2.2	30.9
By Year Formed		
Before 1930	1.8%	57.3%
1930-60	1.2	18.2
1961-70	0.6	10.1
1971-	0.9	14.4
By Size		
Small (less than $100,000)	2.9%	5.0%
Medium	2.1	37.2
Large ($1 million)	1.0	57.7

Source: The Urban Institute Nonprofit Sector Project Survey

Summary of United States Current and Non-Current Statistics

Current statistics are those reported for the years 1982 or 1983. Non-current statistics are those for the years 1984 and earlier. Only current totals are provided in the categories: Full, Communicant, or Confirmed Members; Number of Sunday or Sabbath Schools; Total Enrollment.

	No. of Bodies	No. of Churches	Inclusive Membership	Full, Communicant or Confirmed Members	No. of Pastors Serving Parishes	Total No. of Clergy	No. of Sunday or Sabbath Schools	Total Enrollment
1985 Yearbook								
Current	119	210,146	107,055,646	42,245,498	216,699	359,289	140,175	28,861,252
Non-Current	100	128,098	33,760,739	N.R.	100,766	155,339	N.R.	N.R.
Totals	219	338,244	140,816,385		317,465	514,628		
1984 Yearbook								
Current	113	221,074	109,112,282	44,848,448	238,133	371,921	171,657	32,181,920
Non-Current	106	120,037	30,490,777	N.R.	91,669	146,642	N.R.	N.R.
Totals	219	341,111	139,603,059		329,802	518,563		
1983 Yearbook								
Current	116	214,593	108,750,090	45,709,982	192,784	356,390	161,601	31,647,076
Non-Current	102	124,460	29,702,524	N.R.	98,938	152,062	N.R.	N.R.
Totals	218	339,053	138,452,614		291,722	508,452		

Some Comparative United States Church Statistics

	1983	1984
Church Membership as a Percent of U.S. Population	59.6	60.1
Membership Gain or Loss over Previous Year	1,150,445	1,213,326
Percentage of Gain or Loss over Previous Year	0.83	0.87

Source: Yearbook of American and Canadian Churches, 1985 edited by Constant H. Jacquet, Jr., Nashville, Abingdon Press, 1985

The study shows three different forms of religious organization involvement in the human service field – the direct service activities of congregations; the help that religious congregations provide to other service providers, either in cash or in-kind; and the support that flows to outside service organizations through religiously affiliated funding federations such as Catholic Charities and the Jewish Federation.

Direct Provision of Services

Of these activities, the most basic by far, and the one about which the least is known, is the direct provision of services by congregations – the use of religious congregations as social service agencies.

Normally, such direct service activity takes three different forms: the provision of basic necessities such as food and shelter; the provision of support services such as counseling or recreation; and, institutionally based activities such as day care and schooling.

A substantial number of congregations function as direct service agencies in at least one of these ways. Over half (54 percent) of the congregations provide some direct services.

The most common are the provision of emergency food (46 percent of the congregations), individual and family counseling (45 percent), and the operation of youth groups (43 percent). Considerably smaller propor-

tions of the congregation provide cash or clothing, senior citizen programs, information and referral services, or transportation for the elderly and the handicapped.

When it comes to services requiring capital investments or specialized skills, the proportion of congregations involved is smaller. Only 15 percent of the congregation reported running day care centers, and less than 10 percent operate shelters or soup kitchens, run in-house congregate meal programs, provide job training or legal services, or operate elementary or secondary schools.

From all indications, congregations increased their involvement in these direct service activities in response to the budget cuts and economic downturn in 1982 and early 1983. Seventy percent of the congregations reported that they had increased both their subsistence services and their support services during this period.

Despite these increases, however, the absolute scale of congregation involvement in these direct service activities is rather limited. Of the congregations surveyed, only 10 percent devoted as much as $25,000 to the direct provision of services. Even among those congregations that provide such services, two-thirds spent less than $10,000 on them in 1982. Except for the congregations with day care centers or schools, direct service provision is handled largely by volunteers on a part-time basis.

So while a surprisingly large proportion of religious congregations is involved in direct service activities, and while the scope of these activities has expanded in recent years, the scale of such activities makes it unlikely that they can substitute in any sense for the services financed by government. This is all the more true in view of the fact that expenditures on these direct service activities – limited though they are – are more substantial among wealthier congregations than poor ones, where the need is greatest.

Four out of five (80 percent) of the congregations reported providing cash assistance to other groups. In addition, 80 percent reported providing in-kind aid, including 77 percent that provided food, 66 percent that made their facilities available for use by outside groups, 50 percent that provided emergency cash assistance and/or services of congregational volunteers, and lesser numbers that provided household items, transportation, toys, and housing.

Like direct service provision by congregations, congregational assistance to outside groups has apparently grown in response to the funding cutbacks of the early 1980s. In fact, two-thirds of the congregations providing such aid as of 1982 reported that they had increased it over the prior year in response to growing needs, and 17 percent reported that the increase was sizable.

Despite these increases, however, the actual level of congregational support for outside human service activities is even smaller than that for direct services. In fact, less than 3 percent of the congregations provided as much as $25,000 in support to outside human service programs in 1982, and 80 percent of them provided less than $5,000 in support. This does not include the value of in-kind assistance congregations provide, but even if this could be valued, the level of congregational support to outside groups would still be rather modest.

A third important type of religious involvement in the provision of human

services takes the form of assistance to outside service organizations channelled not through congregations but through religiously affiliated funding federations.

Generally speaking, these federations generate their revenues not from the congregations, but from direct appeals to co-religionists. They therefore differ from the other two types of services discussed above, both of which involve actions by the congregations themselves. Nevertheless, these federations deserve attention here in order to round out this empirical picture of religious organization participation in the human service delivery system.

Based on a survey of 3,400 nonprofit human service agencies in 16 communities across the country, it was estimated that religious federations accounted for about 1.3 percent of the income of nonprofit organizations other than hospitals and higher education institutions as of 1982.

Slightly more than 80 percent of this religious federation income went to "mixed," social services, and institutional and residential care organizations. Nevertheless, religious federation support even to these types of organizations did not exceed 3 percent of their aggregate income in 1982.

Religious federation support was also concentrated in older agencies (57 percent went to agencies founded prior to 1930) and larger agencies (58 percent went to organizations with expenditures in excess of $1 million). But for these agencies as well, religious federation support constituted less than 3 percent of total income.

Giving to **EDUCATION**

Contributions to the nation's educational institutions topped the $10 billion mark last year for the first time ever.

The American Association of Fund-Raising Counsel estimated the contributions to education at $10.08 billion in 1984, an increase of 8.5 percent from the revised total of $9.29 billion in 1983.

As a portion of all charitable gifts, the educational community received 13.5 percent, down slightly from the 13.9 percent it received the year before.

More than half of the total donated to the nation's schools and related educational insititutions is given to colleges and universities.

The Council for Financial Aid to Education reported that in the 1983-84 academic year giving to higher education increased to $5.60 billion, from $5.16 billion the year before. Coincidentally, the increase in giving to higher education was also 8.5 percent–the

same as the overall increase in giving to all of education.

The 8.5 percent gain in overall giving to the educational community essentially wiped out any speculation that contributions to education were increasing faster than giving to the other categories of philanthropy. Many of the other categories increased by more than the eight-and-a-half percent that education grew. A year ago there was some speculation that heavy giving from both corporations and foundations would boost overall growth in educational contributions.

Data from CFAE show that both foundations and corporations did indeed increase their funding of higher education–foundation giving grew by 6.2 percent last year, and corporate giving increased by a massive 14.3 percent. But that was tempered somewhat by other categories of donors–particularly alumni giving which increased only 5.4 percent in 1984 after a slight decline the previous year.

Alumni giving to *higher* education was 23.3 percent of total support, the CFAE reported, and that was down from the 24 percent a year ago.

The CFAE data show that corporate giving to higher education accounted for 22.7 percent of the total, compared with 21.5 percent a year ago. Corporations contributed a total of $1.27 billion to higher education in 1984, compared with $1.11 billion the year before. The increase was a result of higher profits as well as the corporate community's interest in the area of higher education. And the reason for that interest is obvious–it is where corporations go to get their future employees and where their current and past employees came from.

Individuals, other than alumni, gave $1.31 billion to higher education last year, up 10.6 percent from the previous period, CFAE said.

In its most recent analysis, the CFAE said that contributions from religious organizations reversed two years of increases and declined in 1983-84 by 7.8 percent. The religious groups gave the nation's colleges and universities $190 million last year, compared with $206 million in 1982-83.

Generally, it was believed that religious organizations are giving more money to the social service areas each year, and as a result may be cutting down somewhat on giving to education.

The survey of corporate contributions, jointly sponsored by CFAE and The Conference Board, showed that corporations were continuing to funnel substantial portions of their contributions to the overall education category.

Data from the study covering 1983 showed support of education as a percentage of total contributions at 40.1 percent, a full percentage point higher than a year earlier, and well above the 34.5 percent as recently as 1981.

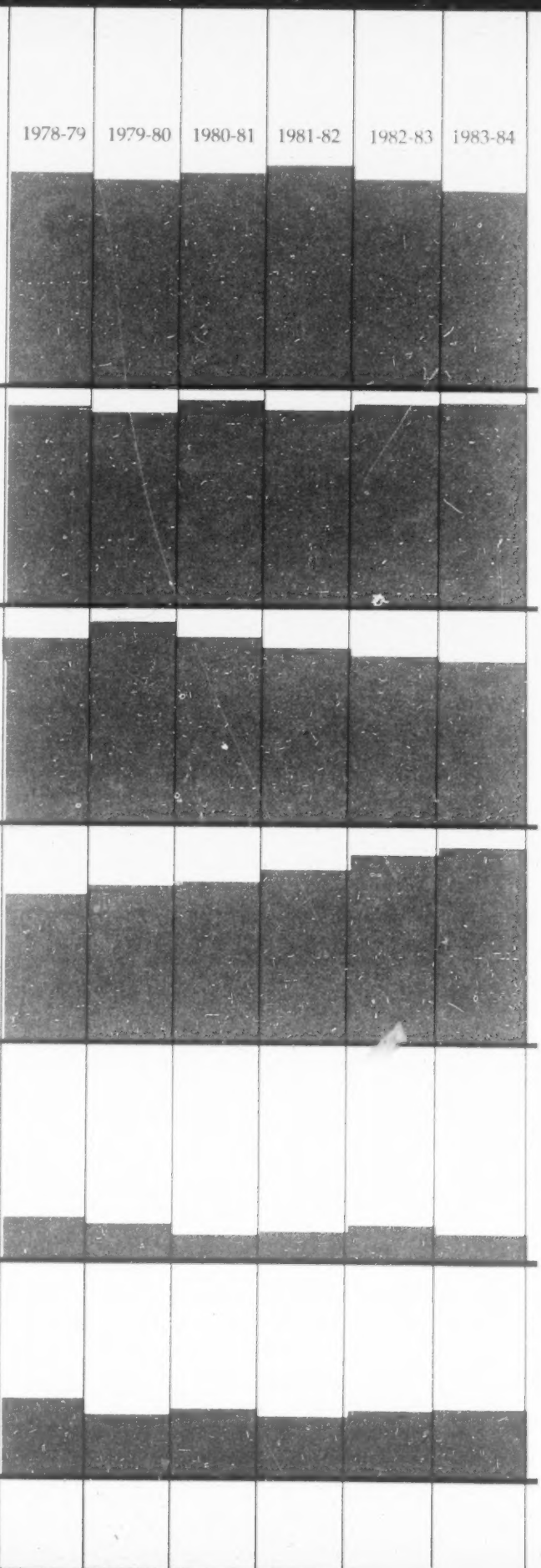
If those data are examined as a portion of pretax net income they show that education received .456 percent in 1983, considerably higher than the .287 percent in 1981.

While education is the primary recipient of corporate contributions, that is not the case among foundations. Data from the Foundation Center show that total grants of $5,000 and more to education constitute 17.4 percent of all large foundation gifts in 1984, up somewhat from the 16.0 percent the year before.

The largest recipients of foundation money are the categories of health and welfare or human services.

Breaking down the gifts to education from the Foundation Grants In-

Giving to Higher Education



Alumni

1978-79 ..... 24.3%
1979-80 ..... 23.9%
1980-81 ..... 24.8%
1981-82 ..... 25.5%
1982-83 ..... 24.0%
1983-84 ..... 23.3%

Non-Alumni

1978-79 ..... 22.8%
1979-80 ..... 22.3%
1980-81 ..... 23.8%
1981-82 ..... 22.6%
1982-83 ..... 23.1%
1983-84 ..... 23.5%

Foundations

1978-79 ..... 21.7%
1979-80 ..... 23.8%
1980-81 ..... 21.8%
1981-82 ..... 20.6%
1982-83 ..... 19.7%
1983-84 ..... 19.3%

Business

1978-79 ..... 17.2%
1979-80 ..... 18.3%
1980-81 ..... 18.4%
1981-82 ..... 20.1%
1982-83 ..... 21.5%
1983-84 ..... 22.7%

Religion

1978-79 ..... 5.0%
1979-80 ..... 4.1%
1980-81 ..... 3.3%
1981-82 ..... 3.6%
1982-83 ..... 4.0%
1983-84 ..... 3.4%

Other

1978-79 ..... 9.0%
1979-80 ..... 7.6%
1980-81 ..... 7.9%
1981-82 ..... 7.0%
1982-83 ..... 7.7%
1983-84 ..... 7.8%

Source: *Council for Financial Aid to Education*

Estimated Voluntary Support, by Source and Purpose (millions)

				% Change, 1983-1984		
	1978-79	1982-83	1983-84	v. 1982-83	v. 1978-79	v. 1978-79 adj. for HEPI
TOTAL VOLUNTARY SUPPORT	$3,250	$5,160	$5,600	+ 8.5	+73.4	+15.6
Sources						
Alumni	$ 785	$1,237	$1,305	+ 5.4	+66.2	+10.8
Nonalumni individuals	736	1,190	1,316	+10.6	+78.8	+19.2
Foundations	701	1,018	1,081	+ 6.2	+54.2	+ 2.8
Business Corporations	556	1,112	1,271	+14.3	+128.6	+52.7
Religious Organizations	161	206	190	− 7.8	+18.0	−21.6
Other	291	397	437	+10.1	+50.2	–
Price Indices (1967 = 100)						
Consumer (CPI)	206.4	293.8	304.8	+ 3.7	+47.7	
Higher Education (HEPI)	216.9	308.8	325.4	+ 5.4	+50.0	

Source: Council for Financial Aid to Education

dex, higher education got the lion's share–$196 million or 11.9 percent of the total grant money in 1984.

A year earlier, the same category received $200.1 million in large grants or 11.2 percent of the total.

In 1984, elementary or secondary education was given $43.9 million in grants of $5,000 and more, while, a year before, that category received $56.4 million of the large grants or 3.1 percent of the total.

Another examination of foundation giving–reported by types of recipient organizations–shows that a total of private colleges and universities received $279.4 million or 17 percent in 1984, compared with $322.6 million or 18 percent in 1983.

Both years represented losses from 1981, however, when private colleges and universities got 23.1 percent of the foundation grants.

Public universities and colleges have remained fairly steady in foundation funding. In 1984 they received 8.4 percent of the total listed, or $138.9 million, up slightly from the previous year when they received $107.3 million or 6.0 percent of the total. In 1984 they received 8.5 percent.

The most recent data from the National Association for Independent Schools show that the average gift from individuals was $114. But when the average was calculated on the basis of giving by parents of students, that jumped to $307 for those currently with children in the schools and to $273 for parents whose children had been pupils in the past.

An average of 56.6 percent of all the parents who were asked to contribute to the annual giving program made contributions, NAIS reported.

The association said that its survey found that 416 of the nation's independent schools had endowments that totaled $1.56 billion, with the largest share of that being held by coeducational boarding schools. Totally, the endowment worked out to an average of $7,691 per student, but for the coeducational boarding schools it was $50,374 per student.

The schools received a total of $18.5 million in bequests and deferred giving, with $15.4 million from bequests

alone.

The National Catholic Educational Association reported in March that during 1984 there were 46 fewer elementary and 15 fewer secondary Catholic schools than in 1983.

Over the past five years, 300 Catholic schools have closed or consolidated, an average of 60 annually. But the level of closings is actually reflective of a stabilization.

The major reversals in Catholic schools and enrollments began in 1965 and reached a high point in 1971 when more than 500 schools closed or consolidated.

Large-scale reviews of school systems have been completed, and obvious closings and consolidations have been effected. Administrative and budget procedures have grown in sophistication and the movement of people from cities to suburbs has showed–a significant factor since most Catholic schools were in the cities.

But, according to the National Catholic Educational Association, most important is the fact that both parents and students continue to support enthusiastically the Catholic educational system by paying higher tuitions and carrying on more intensive development and fund-raising efforts to retain their schools.

Still, the financial situation continues to tighten, with operating expenses increasing, and a continuing loss of the value of services contributed by the religious community.

The vast majority of support received by the nation's Catholic schools comes from the parishes in which they are located, but that still does not total enough each year to keep schools open and, as a result, Catholic schools constitute a far smaller share of private education than they did in the 1960's. They may be fast approaching a 50-50 partnership with non-Catholic private education.

During 1984 there were 7,891 Catholic elementary schools in the U.S., and 1,449 secondary schools. Enrollment dropped by 66,000 students, or 2.2 percent and totaled 2,902,000.

The percentage of non-Catholics in the schools increased to 11.1 percent of total enrollment, while the portion of minority students declined slightly too, but still exceeded one-fifth of the total.

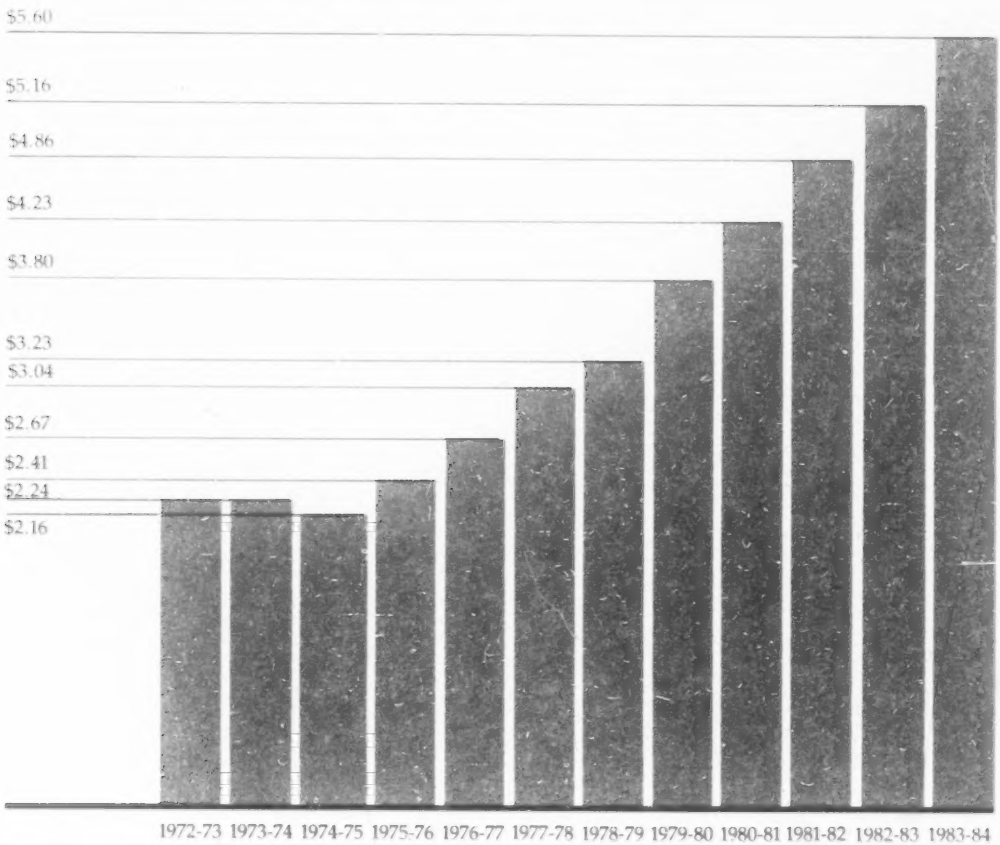
Hispanic students in Catholic schools are about 97 percent Catholic, Black students are about 64 percent non-Catholic.

Geographically, New England has the smallest number of Catholic schools–7.2 percent. The Mid-Atlantic region has the most–28.7 percent. The Plains States and the Southeast both have 11.2 percent of all the Catholic schools in America, while 25.6 percent of the schools are located in the Great Lakes area. The West has 16.1 percent.

Education was the primary activity of approximately 60.8 million Americans last year. There are 57.2 million students enrolled in schools and colleges, 3.3 million teachers, and about 300,000 superintendents, principals, supervisors, and other instructional staff members. This means that in a nation with approximately 232 million people, more than 1 out of every 4 persons was directly involved in the educational process.

Total enrollment in elementary and secondary schools and colleges and universities reached an all-time high of 61.3 million in the fall of 1975. For more than a decade, small annual decreases have occured at the elemen-

Estimated Total Voluntary Support (in billions)



Source: *Council for Financial Aid to Education*

tary school level, reflecting the continuing decline in the number of children 5 to 13 years old. Enrollment in the high school grades peaked in the fall of 1976, while college enrollment in most recent years has continued to rise.

It is estimated that the following percentages of the school-age population were enrolled in school (excluding nursery school) last year. Of 5-year-olds (the usual kindergarten age), 90 percent; of 6- to 13-year-olds (grades 1 through 8), 99 percent; of 14 to 17-year-olds (grades 9 through 12), 94 percent; and of 18- to 24-year-olds (college age), 30 percent.

Data from the fall survey of enrollment in higher education indicated that about 12,426,000 students were enrolled in colleges and universities. This means that college enrollment reached another all-time high even though the increase over the previous year was less than one-half of one percent.

Enrollment in public and private schools at the secondary level (grades 9 through 12) is estimated at about 13.9 million. This is a decrease of

about 2.9 percent from the 14.3 million students enrolled a year earlier. Most of the decrease is believed to have occurred in public schools. Enrollment in private schools declined slightly to an estimated 1.3 million.

Between the fall of 1981 and 1982, enrollment at the elementary school level (kindergarten through grade 8) declined by less than 1 percent, from an estimated 31.1 to 30.9 million. Private school enrollment remained at about 3.6 million, while public schools experienced a decrease estimated at about 126,000 pupils.

School enrollment is significantly influenced by trends in the birth rate. Data from the National Center for Health Statistics, U.S. Public Health Service, show that the number of live births in this country attained an all-time high of 4.3 million in 1961. They then declined precipitously for more than a decade. From 1973 through 1976 the annual number of births was between 3.1 and 3.2 million, but the birth rate turned upward again in 1977. Subsequentiy, there have been annual increases that have raised the number of children born from 3.3 million in 1977 to more than 3.7 million.

The latest projections of the National Center for Education Statistics indicate that small reductions in elementary school enrollment will continue for the next year or so. These decreases are directly attributed to the expected decline during this period in the number of children aged 5 to 13.

Enrollment in the elementary grades should start to rise again in the mid-1980's as the children born in the recent past reach school age. The small annual decreases in high school enrollment, which began in 1977, are expected to continue throughout most of the 1980's. College enrollment appears to have reached its peak at this time. The college-age population (18- to 24-year-olds) is expected to decline for a number of years after peaking in 1981, and emerging trends in college attendance rates will determine what happens to higher education enrollment during the rest of this decade. In recent years, the increased attendance of women, older students (those 25 years old and over), and part-time students has played a major role in maintaining college enrollment at a high level.

An estimated 2.4 million persons were employed as classroom teachers in public and private elementary and secondary schools in the fall of 1982. This was slightly less than the number of persons teaching a year earlier. Only minimal changes occured at the elementary and the secondary levels. the number of public school teachers was estimated at 2,120,000, and about 280,000 were in private schools. Approximately 1,360,000 were teaching in elementary schools, and the remaining 1,040,000 were employed at the secondary level.

Overall, the trend in most recent years has been for the number of public school teachers to remain relatively stable, while enrollment has been declining. The result has been a continuing improvement in the pupil-teacher ratio. A year ago, there were 18.9 pupils per teacher compared with 22.3 pupils for each teacher 10 years earlier. Moreover, a recent study by the National Education Association indicated that many of the public school teachers in the 1980's have spent more years in preparing for a teacher career than those who taught in previous decades. Fewer than 1 percent of the teachers in 1981 did not have a bachelor's degree, compared

with 15 percent in 1961. In 1981, about 50 percent of the teachers held a master's or higher degree, compared with 23.5 percent 20 years earlier.

The number of instructional staff members in colleges and universities has continued to grow, but at a slower rate than in the middle and late 1960's. The full-time and part-time teaching staff, including graduate assistants, was estimated at about 870,000 in the fall of 1982, an increase of 5,000. During the past decade, while college enrollment was growing by 35 percent, the number of instructional staff members increased by an estimated 47 percent.

The largest high school graduating class was in school year 1976-77, when 3,161,000 persons received their diplomas. The number of graduates in 1982-83 was expected to exceed 2,800,000.

The large number of graduates in the recent past reflects the high birth rate in the late 1950's and early 1960's as well as the tendency of most young Americans to remain in school at least until high school graduation. About three-fourths of the young people today graduate from high school, and about 47 percent (more than 60 percent of the high school graduates) can be expected to enter a degree-credit program in a college or university. If present trends continue, about 24 percent of persons in their late teens today can be expected to earn a bachelor's degree; 8 percent, a master's degree; and nearly 1 percent, a doctorate.

Expenditures for public and private education from kindergarten through graduate school reached $215 billion in 1983. The expenditures of elementary and secondary schools are expected to total about $133 billion this year, while institutions of higher education will spend more then $82 billion. Public schools and colleges are expected to spend about $172 billion, compared with about $43 billion for private institutions.

Nationally, the current expenditure per pupil in average daily attendance in public elementary and secondary schools was 2.7 times as large as it was 10 years earlier. The rise was from $990 to about $2,670. However, in dollars adjusted for changes in the Consumer Price Index, the increase was 17.9 percent. The current expenditure per pupil is $2,900.

Large Gifts to Education—(1984)
Donor/Amount/Recipient

Anonymous—
$50 million to *Cornell University Medical College*

Marion O. Hoffman—
$36 million to *University of California*

System Development Corporation—
$21 million to *Stanford University*

Samuel C. Johnson (Johnson Wax)—
$20 million to *Cornell University Graduate School of Management*

Mattie Allen—
$13.8 million to *Baylor University*

IBM Corporation—
$12.5 million (computers) to *University of Illinois*

George E. Hewitt—
$12 million to *University of California at Irvine*

Anonymous—
$11-15 million to *New York University*

IBM Corporation—
$10 million (computers) to *Stanford University*

Hazel Ruby McQuain—
$8 million to *West Virginia University*

IBM Corporation—
$8 million (computer equipment) to *Cornell University*

IBM Corporation—
$8 million (computer equipment) to *University of Washington*

Christine S. Carleton—
$8 million to *Columbia University*

Sacred Heart Province of the Franciscan Fathers—
$7 million to *Quincy College (property)*

Friends, Family & Business Colleagues of A.B. Freeman—
$7 million to *Tulane University*

Thomas & Dorothy Leavey Foundation—
$7 million to *Georgetown University*

William R. Kenan, Jr. Charitable Trust—
$6.5 million to *University of North Carolina at Chapel Hill*

Digital Equipment Corporation—
$6.3 million (equipment) to *University of California at Berkeley*

Arthur J. Decio—
$6.2 million to *University of Notre Dame*

Lyle & Freda Alverson—
$6 million to *George Washington University*

IBM Corporation—
$6 million (computer equipment) to *University of Southern California*

IBM Corporation—
$6 million to *Princeton University (computer equipment)*

IBM Corporation—
$6 million to *University of Pennsylvania (computer equipment)*

Anne Burnett & Charles D. Tandy Foundation—
$6 million to *Texas Christian University*

Homer F. Braddock—
$5.6 million to *Pennsylvania State University*

Olin Foundation—
$5.5 million to *Kenyon College*

Clarence J. Robinson—
$5 million to *George Mason University*

McDonnell Foundation—
$5 million to *Washington University (St. Louis)*

Frances G. Rogers—
$5 million to *Loyola University of Chicago*

Clay M. Mulford—
$5 million to *Bowdoin College*

Agnes M. [illegible]—
$5 million to *Mount St. Mary's College*

Henry E. [illegible]—
$5 million to *Mount St. Mary's College*

Temple Hoyne Buell—
$5 million to *Colorado Women's College*

Harvey M. and Lyn P. Meyerhoff—
$5 million to *Johns Hopkins University*

Morton Kondracke, Inc.—
$5 million to *Boise State University*

Ira Kukin—
$5 million to *Harvard University*

Robert F. Brennan—
$5 million to *St. Benedict's Preparatory School*

Hewlett-Packard Co.—
$5 million to *Harvard University*

John W. Berry—
$5 million to *Dartmouth College*

Lucille Parker Markey—
$4.9 million to *University of Kentucky*

Anonymous—
$4.3 million to *Columbia University*

Monsanto Fund—
$4.3 million to *Washington University*

Olin Foundation—
$4.1 million to *Bates College*

Mr. & Mrs. V.I. Fredericks—
$4 million to *Bridgewater College*

Filomena D'Agostino Greenberg—
$4 million to *New York University*

William E. Farley—
$3.5 million to *Bowdoin College*

Monsanto Fund—
$3.4 million to *St. Louis University*

Sperry Corporation—
$3.2 million (computer equipment) to *University of Alabama at Huntsville*

Charles W. and Margre Henningson Durham—
$3 million to *Iowa State University*

Mr. & Mrs. Maxwell Gluck—
$3 million to *University of Kentucky*

Sam F. Harn—
$3 million to *University of Florida*

Malcolm S. Forbes and the Forbes Foundation—
$3 million to *Princeton University*

Ludwig and Selma Nelson Rehfuss Educational & Charitable Trust—
$3 million to *Bethany College*

Robert and Jane Edwards—
$3 million to *Abilene Christian University*

Ford Motor Company—
$3 million to *Dickinson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$3 million to *Davidson College*

[illegible]—
$2.5 million to *Davidson College*

[illegible]—
$2.5 million to *Davidson College*

Three anonymous donors—
$2.75 million to *Beloit College*

Olin Foundation—
$2.75 million to *Concordia College*

George B. Knox—
$2.7 million to *Bowdoin College*

Olin Foundation—
$2.6 million to *Birmingham Southern College*

Manship Family
$2.6 million to *Louisiana State University*

Doris Chenault
$2.5 million (farm) to *Centre College of Kentucky*

McDonnell Douglas Foundation
$2.5 million to *Washington University*

IBM Corporation
$2.5 million (equipment) to *Illinois Wesleyan University*

Dimmitt Foundation
$2.5 million to *St. Louis University*

Dolores Welder Mitchell
$2.5 million to *University of Dallas*

Day Memorial Fund
$2.5 million to *Williams College*

Day Memorial Fund
$2.5 million to *Princeton University*

Frances L. Rodingbell
$2.5 million to *University of Virginia*

Donald P. Cregier and Deborah L. Marvin
$2.5 million to *Loyola Marymount University*

Mr. & Mrs. Chester Levers
$2.5 million to *Duke University Medical Center*

Anonymous
$2.5 million to *University of Oregon*

James S. McDonnell Foundation
$2.5 million to *Princeton University*

W. Clay Harris & Lucy Clay Harris
$2.5 million to *Emory University*

Bernice Gilliam Nolan
$2.5 million to *Creighton University Dental School*

Frank J. Caventa
$2.5 million to *University of Chicago*

Robert S. & Margaret Folsom
$2.25 million to *Southern Methodist University*

Carnegie Corporation of America
$2.25 million to *Barnard College, Columbia University*

Philip A. Rhodes
$2.2 million (island) to *University of North Carolina*

Anonymous
$2.125 million to *Dartmouth College*

R. David Thomas
$2.1 million to *Ohio State University*

Edward J. & Louise E. Mellon Foundation
$2.1 million to *John Carroll University*

George & Frances Ball Foundation
$2 million (Elizabeth W. Ball Collection) to *Indiana University*

J.E. and L.E. Mabee Foundation
$2 million to *Texas Wesleyan College*

General Motors Foundation
$2 million to *Hope College, Michigan*

NCR Corporation
$2 million to *Wittenberg University*

The Lois Berger Estate
$2 million to *Southern Methodist University*

Thomas Thurston Smith
$2 million bond to *Duke University*

Dana-Farber Cancer Institute
$2 million to *Harvard University*

Charles Nelson & Sharon Gerbic Pond
$2 million to *Boston College*

McKinsey & Co.
$2 million to *Harvard University*

Iryna and Roman H. Dobrowolsky
$2 million to *Johns Hopkins University*

Richard M. Hallbach
$2 million to *University of Chicago*

George W. Woodruff
$2 million to *Emory University*

AT&T Information Systems
$2 million to *Johns Hopkins University*

Audrienne H. Mesmer
$2 million to *University of Pittsburgh*

Duke Endowment
$1.9 million to *Davidson College*

Adolph C. and Ellie Sponsel
$1.9 million to *Mary Hardin-Baylor College*

Duke Endowment
$1.8 million to *Duke University*

James Irvine Foundation
$1.7 million to *University of Southern California*

Alfred C. Dieckmann
$1.7 million (art) to *Wesleyan University*

Mary Eugenia Irby
$1.7 million to *Virginia Commonwealth University*

William S. Kimball
$1.7 million to *University of Illinois*

Anonymous
$1.6 million to *Duke University*

Falstaff Pasma Trust Fund
$1.5 million to *St. Louis University*

Anonymous
$1.5 million to *Randolph-Macon College*

J.E. and L.E. Mabee Foundation—
$1.5 million to *Trinity University (Texas)*

J.N. Pew, Jr. Charitable Trust—
$1.5 million to *Cornell University*

Walter Rutman—
$1.5 million to *Worcester Polytechnic Institute*

Sonya Gershowitz—
$1.5 million to *University of Maryland at Baltimore*

W.K. Kellogg Foundation—
$1.5 million to *Meharry Medical College*

Pew Memorial Trust—
$1.5 million to *Bryant University*

Nevada Power Company—
$1.5 million to *University of Nevada at Las Vegas*

McDonnell Douglas Foundation—
$1.5 million to *Washington University*

Michael H. Haggerty & Signal Companies—
$1.5 million to *University of Maryland at College Park*

Harry Barywsky—
$1.5 million to *New York Medical College*

Fred J. Ketchum—
$1.5 million to *Washburn University*

Michael C. Carlos—
$1.5 million to *Emory University*

Ethel Russell Morris—
$1.5 million to *Medical College of Pennsylvania*

Ludwig & Selma Nelson Foundation—
$1.5 million to *Mt. Union College*

Aetna Life & Casualty Foundation—
$1.5 million to *University of Connecticut*

PEW Memorial Trust—
$1.5 million to *University of Pennsylvania*

Mary Wallace Stanton—
$1.5 million to *University of Maryland, Baltimore*

Nanam Technologies, Inc.—
$1.5 million in computer equipment to *University of Nevada, Las Vegas*

May Department Stores—
$1.5 million to *Washington University*

Dow Chemical Co.—
$1.5 million to *University of Michigan*

Sandhill Energy, Inc.—
$1.4 million to *Millsaps College*

Margaret Correll Boyle—
$1.4 million to *Pennsylvania State University*

Cecil F. McDonough—
$1.4 million to *Western Illinois University*

A. Guy Crouch—
$1.4 million (land) to *Baylor Law School*

W.K. Kellogg Foundation—
$8.37 million (6 years—$1.395 million per year) to *University of Georgia*

Signal Companies, Inc.—
$1.35 million (stock) to *Hofstra University*

Chapman-Barnard-McFarlin Interests—
$1.25 million to *Trinity University (Texas)*

Anonymous—
$1.25 million to *University of Alabama*

IBM Corporation—
$1.25 million to *Harvard University*

Bernard F. Lasker—
$1.25 million to *Mount Sinai School of Medicine*

Cecyle Stone & Family—
$1.25 million to *University of Wisconsin-Madison*

Dr. & Mrs. Carruth N. Bowen—
$1.25 million to *University of California School of Dentistry*

Kirkland and Ellis, Inc.—
$1.25 million to *University of Chicago*

Southwestern Bell Telephone Co.—
$1.125 million to *St. Louis University*

Giving to HEALTH AND HOSPITALS

	Amount (Billions)
1970	$3.40
1971	3.65
1972	3.77
1973	4.15
1974	4.29
1975	4.32
1976	4.83
1977	4.90
1978	5.48
1979	6.03
1980	6.59
1981	7.46
1982	8.41
1983	9.15
1984	10.44

Contributions to the nation's hospitals, health agencies, and other organizations concerned with the physical and psychological well-being of Americans climbed to a new record in 1984 and reached an estimated $10.44 billion.

This total represented a gain of 10.7 percent from the revised $9.43 billion donated a year earlier, according to the American Association of Fund-Raising Counsel.

The Association said it had revised total giving figures for all of the donee segments of the philanthropic community because of a new, more accurate method of measuring giving by living individuals. The new method utilizes an econometric model approach to estimate what individuals give each year; when this was applied to past years, it showed that in the vast majority of cases the Association had underestimated individual giving. Thus, the revisions in donee, or recipient, categories.

The contributions in 1984 to the health category represented 14.0 percent of all philanthropy last year, an insignificant decline from the 14.1 percent a year before. Giving to health and hospitals remained the second largest donee category–behind only religion and slightly ahead of giving to education.

The Association bases its estimate for giving to health and hospitals on reports it receives from organizations and institutions in the health community and surveys conducted among foundations and corporations.

During 1984, for example, a survey of large national health agencies, conducted by the AAFRC, showed that they received a total of $866.71 million in contributions last year compared with $791.98 million in 1983. Total contributions, including bequests, hit $941.76 million, up 9.4 percent from the $851.20 million given the year before.

The health agency total was substantially boosted by a gain of 10.4 percent in contributions received by the American Cancer Society, traditionally the leader among the health agencies in contribution receipts. The ACS reported that in 1984 it had received a total of $166.99 million in contributions–without counting bequests–compared with $151.18 million during 1983.

The American Heart Association, which for years has held the number-two spot among the largest of the health agencies, reported to the AAFRC that in 1984 it raised a total of $95.33 million through contributions. That was a gain of 6.6 percent from the previous year when it raised $89.40

million, not including bequests.

Increases were also noted among the other leading health agencies, with the March of Dimes Birth Defects Foundation showing a gain of 13 percent in contributions for 1984. Giving to that agency increased to $90.17 million from $79.66 million in 1983.

Totally, of the 25 health agencies surveyed by the AAFRC, 965.1 million showed increases in overall support in 1984.

An analysis of data from the Foundation Center showed that foundations made a total of 5,910 grants of $5,000 and more to the health category in 1984.

That was nearly 600 more than a year before, and as a portion of total large grants it represented 17.4 percent.

In 1983, large foundation grants to the health category accounted for 16.6 percent of the total number made.

In dollars, the grants represented 23.6 percent of total large gifts to all philanthropic categories, an increase from the 21.7 percent a year before.

Change in General or Community Hospitals

	1979	1980	1981	1982	1983
Number of Hospitals*	5,842	5,830	5,813	5,801	5,783
Number of Beds (000)	984	988	1,003	1,012	1,018
Admissions (000)	35,099	36,143	36,438	36,379	36,152
Average Daily Census (000)	727	747	763	762	749
Outpatient Visits (000)	198,778	202,310	202,768	248,124	210,044
Average Length of Stay—Days	7.6	7.6	7.6	7.6	7.6
Occupancy Rates (%)	73.9	75.6	76.0	75.3	73.5
Total Expenses (million)	$66,004	$76,851	$90,572	$104,876	$116,438
Number of Personnel**	2,756,000	2,873,000	3,033,000	3,306,000	3,096,000
Payroll Expenditures (million)	$32,584	$37,379	$44,042	$50,638	$55,525
Expenses Per Inpatient Day	$217.34	$245.12	$284.33	$327.37	$369.49

* Excludes hospital units of institutions (prisons, college infirmaries, etc.)
** Adjusted for part-time personnel
Source: Hospital Statistics, 1984 Edition

Change in Voluntary Nonprofit Hospitals

	1979	1980	1981	1982	1983
Hospitals	3,350	3,339	3,356	3,354	3,363
Beds (000)	690	693	706	712	718
Admissions (000)	24,885	25,576	25,955	25,908	25,837
Average Daily Census (000)	528	542	555	554	544
Outpatient Visits (000)	140,525	142,864	143,953	176,838	151,444
Average Length of Stay—Days	7.7	7.7	7.8	7.8	7.7
Occupancy Rates (%)	76.5	78.2	78.5	77.8	75.8
Total Expenses (million)	$47,969	$55,815	$66,288	$76,850	$85,675
Number of Personnel	2,000,000	2,087,000	2,213,000	2,424,000	2,272,000
Payroll Expenditures (million)	$24,043	$27,652	$32,785	$37,775	$41,554
Expenses Per Inpatient Day	$217.93	$245.67	$285.61	$330.40	$373.62

Source: Hospital Statistics, 1984 Edition

Totally, they accounted for $388.78 million.

The largest single share–$129 million or 7.6 percent of all large grants went to medical care and treatment. Those categories also received the largest single share of health-related grants in 1982.

Medical research received 91.4 million, or 5.5 percent of the amount given to health, while medical and health education got $57.5 million, or 3.5 percent.

The Joint Survey on Corporate Contributions, conducted by The Conference Board and the Council for Financial Aid to Education, showed that the corporations participating in the survey gave a total of $367.6 million to the health category for the most recent year, compared with $330.9 million the year before.

Data from the National Association for Hospital Development show that the more hospitals spend on development, the more they raise.

NAHD reported that based on preliminary results of a survey it conducted of 1,500 of its members in 1,200 hospitals and hospital foundations, the institutions raised a total of $1.019 billion in 1984.

It was not possible to make a year-earlier comparison since the survey was not conducted in 1983. But the total was nearly 40 percent higher than that reported by NAHD members in the last year they had a survey–1981.

NAHD's sampling had some interesting results:

The total budgeted by hospitals for development constituted .9 percent of the overall hospitals' budgets in 1984 and the respondents said they expected 1985's development budgets to reach 1.3 percent of the total budgets for the institutions.

The 1984 survey showed that 19.5 percent of the total raised by NAHD members was for institutions with 225-or-less beds; 56.9 percent was raised by institutions falling in the 226-500 bed-size category; and 23.6 percent was raised in institutions with at least 500 beds.

Individuals gave 49.2 percent of the total raised, while 18.7 percent came from corporations. Foundations, excluding corporate foundations, donated 20.6 percent of the total raised by the hospitals, while 7.6 percent came from auxiliaries and 3.9 percent came from other charitable organizations, such as United Way, civic agencies, etc.

The NAHD members also said that they received 51.7 percent of the contributions through the use of direct mail.

Breaking donors down by number of donors, rather than total dollars collected, showed that 90.3 percent of all donors were individuals, .7 percent were foundations, and 4.5 percent were corporations and corporate foundations. The remaining 4.5 percent were listed as "others."

The largest portion of the funds were used for construction and renovation–25.4 percent–while spending for equipment accounted for 17.0 percent. Equity and financing accounted for 2.4 percent, while 12.7 percent went to general operating budgets and 8.7 percent was for research and teaching.

Endowments, apparently reflecting institutions heavily related to colleges and universities, accounted for 21.5 percent of the use of the funds, charitable care for 2.7 percent and hospices 1.0 percent. A total of 9.6 percent was classified for other expenditures.

Generally, the NAHD said that both the competitive environment for raising funds and the fact that the association's members are successfully demonstrating that the more effort given to fund raising, the better the return, is resulting in increased budgets for development offices.

Reports from 57 hospitals which are members of the Adventist Hospital System show that they received $10.4 million in voluntary support during 1984, an increase of just over one percent from the $10.3 million received a year earlier.

The 57 hospitals, which account for 90 percent of the acute-care beds in the five regional corporations making up the Adventist System, reported that 23.2 percent of the total raised came from individuals, 15.1 percent from corporations, 13.1 percent from trustees and 12.4 percent from foundations. Auxiliary members gave 9.7 percent, physicians 8.8 percent, other clubs and organizations 2.6 percent, and employees of the hospitals gave 2.5 percent. Bequests accounted for 12.6 percent of the total raised.

Statistics from the U.S. Health Care Financing Administration show that the United States spent $355 billion for health in 1983, the most recent year for which data are available. The total was 10.8 percent of the gross national product and $33 billion, or 10.3 percent, higher than in 1982.

On a per capita basis, health care expenditures amounted to $1,459 per person, up $122 from the total a year earlier. Public funds accounted for $611 of the total per-capita expenditures, while private and third-party reimbursement took care of the rest.

Hospital care accounted for 41 percent of the total health care spending, and that represented an increase 9.1 percent from the year before, bringing hospital care costs to a total of $147 billion.

Spending for physicians' services increased by 11.7 percent to reach $69 billion, or 19 percent of all health care costs.

The government said that public sources provided 42 cents of every dollar spent on health in 1983, with federal payments totaling $103 billion and state and local governments accounting for $46 billion.

Consumers paid $196 billion for health care, either directly or together with employers in the form of health-

National Health Agencies

Agency
American Cancer Society, Inc.
American Heart Association
March of Dimes Birth Defects Foundation
Muscular Dystrophy Association
National Easter Seal Society
American Lung Associates
Planned Parenthood Federation of America
National Multiple Sclerosis Society
The Arthritis Foundation
United Cerebral Palsy Association, Inc.
American Diabetes Association, Inc.
National Association for Retarded Citizens
National Mental Health Association
Leukemia Society of America, Inc.
Cystic Fibrosis Foundation
Juvenile Diabetes Foundation
National Kidney Foundation
Epilepsy Foundation of America
National Society to Prevent Blindness
American Foundation for the Blind, Inc.
Recording for the Blind, Inc.
National Foundation for Ileitis & Colitis, Inc
Damon Runyon-Walter Winchell Cancer Fu
National Council on Alcoholism
The National Hemophilia Foundation
Totals

**Estimate*
† Revised

1984 Total Contributions	1984 Contributions	1984 Bequests	1983 Total Contributions
$220,528,168	$166,998,926	$ 53,529,242	$203,089,292
128,018,841	95,730,981	32,287,860	125,181,031
91,976,000	90,177,000	1,799,000	81,469,000
81,932,116	79,983,925	1,948,191	96,611,984†
77,400,000	70,000,000	7,400,000	72,000,000
72,773,927	69,205,905	3,568,022	68,113,451†
52,000,000	50,500,000	1,500,000	49,901,196†
35,926,000*	33,244,341*	2,681,659*	34,580,579†
35,300,000	25,400,000	9,900,000	27,600,000
35,839,686*	34,899,923*	939,763*	34,758,250†
30,808,984	28,904,038	1,904,946	23,803,984
29,020,500*	28,520,500*	500,000*	28,451,471*
24,000,000*	20,000,000*	4,000,000	20,000,000*
20,172,399	18,755,636	1,416,763	18,189,332
18,181,211	18,062,225	118,486	16,864,279
8,503,666	8,493,666	10,000*	6,705,700
8,450,000	7,315,000	1,130,000	8,118,713†
6,793,543	6,523,376	270,167	6,309,748†
6,576,351	4,690,253	1,886,098	5,881,839
5,892,700	1,727,111	4,175,589	3,283,564
4,316,927	3,804,992	511,935	4,472,927
2,800,154	2,716,719	83,435	2,206,957
2,352,315	202,622	2,149,693	3,340,486
504,754*	504,754*	-0-	717,457†
355,604	355,604	-0-	115,948
$965,123,846	**$866,717,497**	**$133,710,849**	**$941,767,188**

insurance premiums. All parties combined–private insurers, government, philanthropy and industry–financed 73 percent of the $313 billion spent for personal health care, which covered 92 percent of hospital care, 72 percent of the care given by physicians, and 44 percent of the remainder.

TRENDS AMONG HOSPITALS

Although the number of U.S. community hospitals has remained relatively constant–at about 5,800 since 1973–the average size of the hospitals has increased from 155 beds 11 years ago to 176 beds today.

As a result of this trend the number of large hospitals–those with 400 or more beds–increased by 27.2 percent, from 482 to 613; and their beds, which accounted for 31.2 percent of all community hospital beds, now represent 34.9 percent.

The number of moderate-size hospitals–with 100 to 399 beds–increased by 11.6 percent in the same period, from 2,282 to 2,546, but their beds remained constant at 51 percent of the total.

While the increases were evident among the larger hospitals, the decreases were also obvious among the

National health expenditures, by type of expenditure and source of funds, Calendar years 1981-1983
(amount in billions)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other[1]	Total	Federal	State and local
			Total	Direct	Insurance				
1983									
Total	$355.4	$206.6	$195.7	$85.2	$110.5	$10.9	$148.8	$102.7	$46.1
Health services and supplies	340.1	199.8	195.7	85.2	110.5	4.1	140.3	96.8	43.5
Personal health care	313.3	188.8	185.2	85.2	100.0	3.7	124.5	93.0	31.5
Hospital care	147.2	68.8	67.3	11.1	56.2	1.5	78.4	60.6	17.8
Physicians' services	69.0	49.7	49.7	19.6	30.1	[1]	19.3	15.6	3.7
Dentists' services	21.8	21.2	21.2	13.9	7.4	---	.6	.3	.3
Other professional services	8.0	5.6	5.5	3.3	2.1	.1	2.5	1.9	.5
Drugs and medical sundries	23.7	21.6	21.6	18.4	3.2	---	2.1	1.1	1.1
Eyeglasses and appliances	6.2	5.2	5.2	4.5	.7	---	1.0	.9	.1
Nursing home care	28.8	14.9	14.7	14.4	.3	.2	14.0	8.1	5.9
Other health services	8.5	1.8	---	---	---	1.8	6.6	4.5	2.1
Program administration and net cost of insurance	15.6	10.9	10.5	---	10.5	.5	4.6	2.6	2.0
Government public health activities	11.2	---	---	---	---	---	11.2	1.2	10.0
Research and construction of medical facilities	15.3	6.8	---	---	---	6.8	8.4	5.9	2.6
Research[2]	6.2	.4	---	---	---	.4	5.8	5.2	.6
Construction	9.1	6.5	---	---	---	6.5	2.6	.7	2.0
1982									
Total	$322.3	$186.6	$176.5	$77.2	$99.3	$9.9	$135.8	$93.3	$42.6
Health services and supplies	308.1	180.4	176.6	77.2	99.3	3.8	127.8	87.6	40.1
Personal health care	284.7	171.4	168.0	77.2	90.8	3.4	113.4	84.0	29.4
Hospital care	134.9	63.2	61.8	10.3	51.4	1.4	71.8	55.3	16.4
Physicians' services	61.8	44.9	44.9	17.8	27.1	[1]	16.9	13.4	3.5
Dentists' services	19.5	18.9	18.9	12.4	6.5	---	.6	.3	.3
Other professional services	7.1	5.1	5.1	3.1	2.0	.1	2.0	1.5	.5
Drugs and medical sundries	21.8	19.9	19.9	16.9	2.9	---	1.9	1.0	1.0

Eyeglasses and appliances	5.5	4.7	4.7	4.1	.6	---	8	.7	.1
Nursing home care	26.5	13.1	12.9	12.7	.2	.2	13.4	7.7	5.7
Other health services	7.6	1.7	---	---	---	1.7	5.9	4.1	1.8
Program administration and net cost of insurance	13.4	9.0	8.6	---	8.6	.4	4.4	2.4	1.9
Government public health activities	10.0	---	---	---	---	---	10.0	1.2	8.8
Research and construction of medical facilities	14.2	6.1	---	---	---	6.1	8.1	5.6	2.5
Research[2]	5.9	.3	---	---	---	.3	5.5	5.0	.6
Construction	8.3	5.8	---	---	---	5.8	2.5	.6	1.9
1981									
Total	$285.8	$164.2	$155.6	$70.8	$84.8	$8.6	$121.7	$83.5	$38.1
Health services and supplies	272.7	159.0	155.6	70.8	84.8	3.4	113.7	78.1	35.6
Personal health care	253.4	152.6	149.5	70.8	78.8	3.0	100.8	74.3	26.5
Hospital care	117.9	55.2	53.9	9.2	44.7	1.3	62.7	48.6	14.1
Physicians' services	54.8	39.7	39.7	16.3	23.4	[3]	15.0	11.7	3.3
Dentists' services	17.3	16.6	16.6	10.9	5.8	---	.7	.4	.3
Other professional services	6.4	4.8	4.7	3.1	1.6	.1	1.6	1.2	.4
Drugs and medical sundries	20.5	18.7	18.7	16.2	2.5	---	1.9	.9	.9
Eyeglasses and appliances	5.6	4.9	4.9	4.5	.5	---	.7	1.6	.1
Nursing home care	23.9	11.1	10.9	10.7	.2	.2	12.8	7.2	5.7
Other health services	7.0	1.6	---	---	---	1.6	5.4	3.7	1.7
Program administration and net cost of insurance	10.6	6.4	6.0	---	6.0	.4	4.2	2.5	1.7
Government public health activities	8.6	---	---	---	---	---	8.6	1.3	7.3
Research and construction of medical facilities	13.2	5.2	---	---	---	5.2	8.0	5.4	2.6
Research[2]	5.6	.3	---	---	---	.3	5.3	4.8	.5
Construction	7.6	4.8	---	---	---	4.8	2.7	.7	2.1

[1]Spending by philanthropic organizations, industrial in-plant health services and privately financed construction.
[2] Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but are included in the expenditure class in which the product falls.
[3]Less than $50 million.

SOURCE: Office of Financial and Actuarial Analysis, Bureau of Data Management and Strategy, Health Care Financing Administration.

Personal health care expenditures by selected third-party payers and type of expenditure: Calendar years 1981-83

(amount in billions)

Source of Payment	Personal care	Hospital care	Physicians' services	Dentists' services	Other Professional services	Drugs etc.	Eyeglasses etc.	Nursing home care	Other health services
1983									
Total	$313.3	$147.2	$69.0	$2[illegible].8	$8.0	$23.7	$6.2	$28.8	$8.5
Direct Payments	85.2	11.1	19.6	13.9	3.3	18.4	4.5	14.4	---
Third-Party Payments	228.1	136.1	49.5	7.9	4.7	5.4	1.7	14.4	8.5
Private health insurance	100.0	56.2	30.1	7.4	2.1	3.2	.7	.3	---
Philanthropy and industrial inplant	3.7	1.5	.0	---	.1	---	---	.2	1.8
Government	124.5	78.4	19.3	.6	2.5	2.1	1.0	14.0	6.6
Federal	93.0	60.6	15.6	.3	1.9	1.1	.9	8.1	4.5
Medicare[1]	57.4	40.4	13.4	--	1.5	---	.8	.5	.9
Medicaid[2]	18.1	6.9	1.6	.3	.4	1.0	---	7.0	1.0
Other	17.4	13.3	.6	.0	.1	.1	.1	.5	2.6
State and local	31.5	17.8	3.7	.3	.5	1.1	.1	5.9	2.1
Medicaid[2]	15.8	6.7	1.4	.2	.4	.9	---	5.4	.9
Other	15.7	11.1	2.3	.0	.2	.2	.1	.5	1.2
1982									
Total	$284.7	$134.9	$61.8	$19.5	$7.1	$21.8	$5.5	$26.5	$7.6
Direct Payments	77.2	10.3	17.8	12.4	3.1	16.9	4.1	12.7	---
Third-Party Payments	207.5	124.6	44.0	7.1	4.0	4.9	1.4	13.8	7.6
Private health insurance	90.8	51.4	27.1	6.5	2.0	2.9	.6	.2	---
Philanthropy and industrial inplant	3.4	1.4	.0	---	.1	---	---	.2	1.7
Government	113.4	71.8	16.9	.6	2.0	1.9	.8	13.4	5.9
Federal	84.0	55.3	13.4	.3	1.5	1.0	.7	7.7	4.1
Medicare[1]	51.1	36.7	11.4	---	1.1	---	.6	.5	.8
Medicaid[2]	17.0	6.4	1.5	.3	.4	.9	---	6.7	.9
Other	16.0	12.2	.5	.0	.1	.0	.1	.5	2.5
State and local	29.4	16.4	3.5	.3	.5	1.0	.1	5.7	1.8
Medicaid[2]	14.3	6.0	1.3	.2	.3	.8	---	5.0	.7
Other	15.0	10.4	2.2	.1	.2	.2	.1	.7	1.1

1981									
Total	$253.4	$117.9	$54.8	$17.3	$6.4	$20.5	$5.6	$23.9	$7.0
Direct Payments	70.8	9.2	16.3	10.9	3.1	16.2	4.5	10.7	---
Third-Party Payments	182.6	108.7	38.5	6.4	3.3	4.4	1.2	13.2	7.0
Private health insurance	78.8	44.7	23.4	5.8	1.6	2.5	.5	.2	---
Philanthropy and industrial implant	3.0	1.3	.0	---	.1	---	---	.2	1.6
Government	100.8	62.7	15.0	.7	1.6	1.9	.7	12.8	5.4
Federal	74.3	48.6	11.7	.4	1.2	.9	.6	7.2	3.7
Medicare	43.5	31.3	9.7	---	.8	---	.5	.4	.6
Medicaid	16.2	6.1	1.5	.3	.3	.9	---	6.3	.8
Other	14.7	11.2	.5	.1	.1	.0	.1	.4	2.3
State and local	26.5	14.1	3.3	.3	.4	.9	.1	5.7	1.7
Medicaid	12.8	4.8	1.2	.2	.2	.7	---	4.9	.6
Other	13.7	9.3	2.1	.0	.2	.2	.1	.7	1.1

Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of enrollees. Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

SOURCE: Office of Financial and Actuarial Analysis, Bureau of Data Management and Strategy, Health Care Financing Administration.

smaller ones. That group declined from 3,025 to 2,624 and while their beds represented 17.5 percent 11 years ago, now they represent only 14.1 percent.

Community hospital admissions registered more than 36 million, approximately the same as a year earlier, but 14 percent more than a decade ago.

The average length of stay was 7.6 days, the same as a year before. The average daily census, however, fell slightly.

The occupancy rate for community hospitals decreased to 73.5 percent and an analysis of occupancy by the American Hospital Association shows that occupancy increased along with the size of the hospital for which it was measured.

But, for the year, all of the hospitals showed decreases in occupancy.

The number of surgical operations performed in community hospitals rose in 1982 by 1.6 percent and the number of outpatient visits accounted for 13.2 percent of gross revenue, compared with 15.2 percent a year earlier.

Community hospitals had expenditures of $116.4 billion, an 11.0 percent increase from the year before, and 30.4 percent lower than the year-to-year rise between 1981 and 1982.

The labor portion of expenses increased by 10.6 percent while the nonlabor portion of expenditures showed an 11.6 percent rise. Expenditures for employee benefits continued to be the fastest growing component at 15.8 percent of the year.

The average salary for community hospital employees was $17,936, an increase of 9.9 percent.

Total revenue received by the nation's community hospitals exceeded

$121 billion, 11.0 percent higher than a year before.

Large Gifts to Health & Hospitals (1984)

Arthur G. and Gail M. Wollman
$85 million to *Massachusetts General Hospital*

Merle Norman Cosmetics, Inc.
$5 million to *Santa Monica UCLA Hospital Medical Center*

Mr. & Mrs. Gene Autry
$5 million to *Los Angeles Medical Center*

General Mills Restaurant Group
$4.5 million to *Harold Hospital*

Alvord Lorraine Wang
$4 million to *Massachusetts General Hospital*

W.K. Kellogg Foundation
$3.8 million to *National Board of Medical Examiners*

Hermes Van Vleet
$3 million to *Office of Medical Applications for the Health Sciences, Houston*

Jessie Bell Jarvis
$1.9 million to *Mt. Sinai Hospital*

William J.S. Carey
$1.5 million to *Dana-Farber Cancer Inst.*

Warner Communications Foundation
$1.4 million to *Cedars-Sinai Hospital Comprehensive Medical Center*

Virginia Schulman
$3 million over 3 yrs. to *Long Island University Medical Center Hospital*

Maxwell and Morris Stone
$1 million to *University Hospitals of Cleveland*

Frank & Mary Rinschinger
$1 million to *Seton Central Research Institute*

Hudson Foundation
$1 million to *Massachusetts General Hospital*

Giving to SOCIAL SERVICES

	Amount (Billions)
1970	$2.88
1971	2.93
1972	2.69
1973	3.06
1974	3.12
1975	3.04
1976	3.06
1977	3.52
1978	3.97
1979	4.45
1980	4.83
1981	5.42
1982	6.33
1983	6.94
1984	8.01

Americans donated a record-breaking $8.01 billion to a variety of organizations involved with the delivery of human services in 1984.

The new total represented an increase of 11.8 percent from the revised $7.16 billion given to the social service category of philanthropy in 1983 and was boosted by contributions of more than $2 billion to United Ways.

As a portion of all philanthropy in the United States, giving to social services accounted for 10.7 percent, the same as in 1983.

The total does not include uncounted billions that are believed to be funneled to social service needs from religious organizations.

A study conducted last year for the Council of Foundations showed that religious organizations are heavy funders of human services.

The data from that survey, and other statistics compiled for the study

by the Council on Foundations, suggest that total religious giving may reach as high as $8.5 billion, with the vast majority of that sum going to provide human services at both local and national levels.

But because the response rate was low, the survey did not come up with any hard data on totals given by the whole religious community. Rather, it was able to identify a total of $1.03 billion given by those organizations that did respond.

The American Association of Fund-Raising Counsel reported that in addition to the record giving to United Ways, which comes primarily from individuals, there were increases in giving to social service from both corporations and foundations.

A joint study conducted by The Conference Board and the Council for Financial Aid to Education showed that corporations participating in the survey donated $367.6 million to organizations in the social service and health categories, compared with $397.3 million a year earlier. While the total given was smaller by $30 million and as a percentage of the $1.27 billion given by the companies that participated in the latest survey, the number of companies responding in the most recent year was also less–471 firms compared with 534 companies the year before.

Data from The Foundation Center in New York indicate an increase of 000.00 percent in foundation funding of social service organizations. Those statistics show that (insert a)

For the first time ever, the nation's 2,200 local United Ways surpassed the $2 billion fund-raising milestone when they raised an estimated $2.145 billion in 1984, an increase of 10 percent from the $1.95 billion collected in 1983.

The significance of the $2 billion was underscored at a news conference late in 1984 in Washington when United Way of America's chairman, Robert A. Beck, said: "United Ways did not raise their first billion annually until 1974–87 years after United Way began. But it took only 10 years to raise the second billion annually."

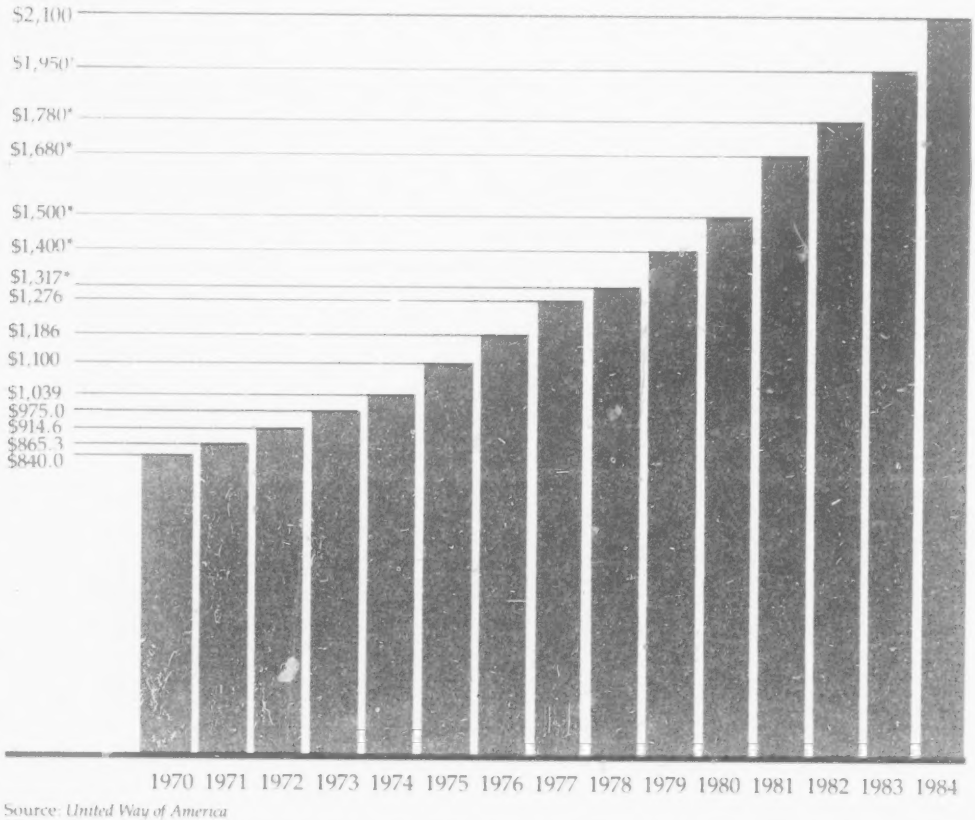
The United Way of America reported that during the past two years local United Ways generated $265 million additional dollars for local human care needs and said that the numbers were particularly impressive because they were accomplished amid many "in spite ofs."

Tremendous gains were reported from Flint, Mich., Pittsburgh, and Birmingham, Ala., "in spite of" double-digit unemployment; increases were reported in Detroit and Cleveland "in spite of" struggling industry; gains were registered in Buffalo, NY, "in spite of business closings"; and Milwaukee saw its largest increase since 1956 "in spite of" a variety of economic problems.

But while applauding the generosity of Americans, United Way officials didn't see any pot of gold at the end of a rainbow. Rather, they saw a cloud on the horizon in the form of the U.S. Treasury Department's proposed tax changes which, they and others in the charitable community believe, would eliminate charitable tax incentives for most United Way supporters–those in the low and middle income categories, who are also non-itemizers.

United Way said the Treasury plan, if enacted, could "cripple" their ability to continue to provide services at current levels and they predicted that the plan would result in at least a 20 per-

Record of United Way Campaigns in the U.S. and Canada (in millions)



Source: *United Way of America*
*U.S. only
†Preliminary

cent decline in giving to the nation's largest charitable organization.

Such a drop–over $300 million to United Ways and some $12 billion in individual giving to all charities–combined with government cutbacks in health and social welfare programs would result in drastically reduced human care services.

It is not a coincidence that United Ways' national service center is within view of Capitol Hill. As demonstrated in the fight on tax incentives for charitable giving, United Way of America has been able to provide sharp national focus on public policy issues of concern. These issues require close monitoring. And through the often complicated process by which issues develop and bills become laws, United Way of America works to insure that the interests of the voluntary sector and United Way are reflected in final legislation.

In 1984, United Way of America's government relations program lobbied successfully against congressional action to freeze the charitable

contribution legislation at $25, and launched a nationwide lobbying campaign to preserve the charitable deduction in any tax simplification plan adopted.

United Way worked with the Internal Revenue Service to publicize the charitable contribution deduction and promulgate rules for verification of charitable gifts. In addition, United Way of America began a program of regular contact with congressional staff in order to have more impact on public policy. Finally, United Way lobbied for changes in legislation governing foundations in an effort to spur greater giving to foundations.

EMERGENCY FOOD & SHELTER

FEMA stands for the Federal Emergency Management Agency. Since March 24, 1983 Congress has allotted $160 million in grants through FEMA to meet food and shelter needs in the most depressed areas of the country. This effort has become known as the Emergency Food and Shelter Program.

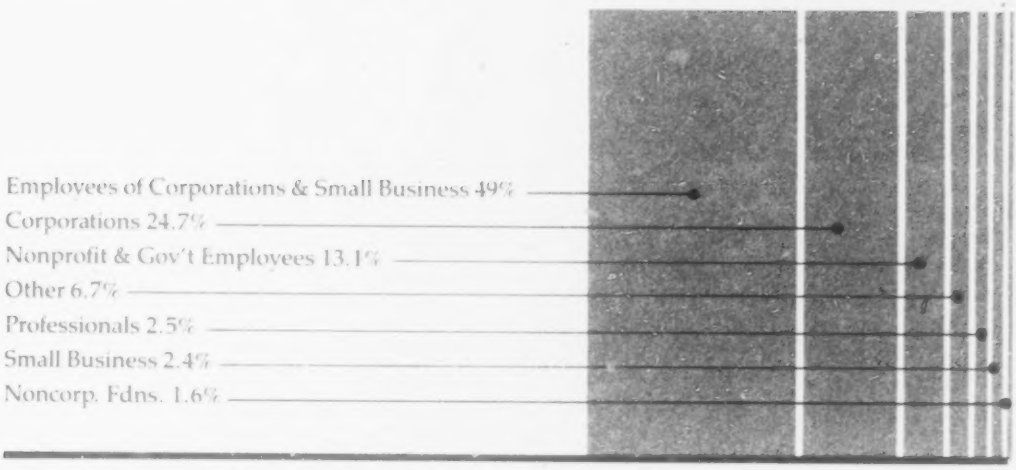
The Emergency Food and Shelter National Board, created by Congress, appointed United Way of America to act as its fiscal agent. United Way immediately made that job a priority. In addition, United Ways in hundreds of communities helped administer the

25 Largest United Way Campaigns Reported to Date: 1984 (Plus 1984 Goal Amounts for Select Cities)

Local United Way	1984 Amount Raised	Percent Increase Over 1983
Tri-State (New Metro Area)	$135,200,000*	10.2%
Chicago, IL	82,215,000*	9.0
Los Angeles, CA	72,750,000*	10.3
Detroit, MI	50,860,966	8.4
Cleveland, OH	44,595,896	6.1
Philadelphia, PA	44,011,909	10.0
Washington, D.C.	43,523,954	12.2
Houston, TX	39,509,023	8.1
Boston, MA	35,236,864	10.0
St. Louis, MO	32,515,430	8.2
Cincinnati, OH	30,242,400	7.5
Atlanta, GA	30,005,190	11.8
Minneapolis, MN	28,875,830	11.2
Dallas, TX	28,868,085	13.4
Pittsburgh, PA	28,207,525	7.6
Baltimore, MD	28,080,775	7.7
Rochester, NY	26,007,721	9.1
Seattle, WA	25,461,800	8.3
Denver, CO	23,266,894	16.3
Kansas City, MO	22,842,841	12.7
Santa Clara, CA	20,012,272	17.6
Milwaukee, WI	18,977,475	7.5
Indianapolis, IN	17,355,535	10.1
Portland, OR	16,303,546	9.5
Ft. Worth, TX	15,641,784	10.4

*1984 Goal.
Source: United Way of America

Sources of United Way Support (Based on 1983 Data)



Source: *United Way of America*

grants at the local level.

The results were impressive. Timely, accurate, sensitive distribution of money that, from March, 1983 to March, 1984 provided 84 million meals and 13 million night's lodging to America's hungry and homeless. The Emergency Food and Shelter Program demonstrates how United Ways can serve as a link between government and voluntary agencies in policy formation and decision-making.

GIFTS IN KIND

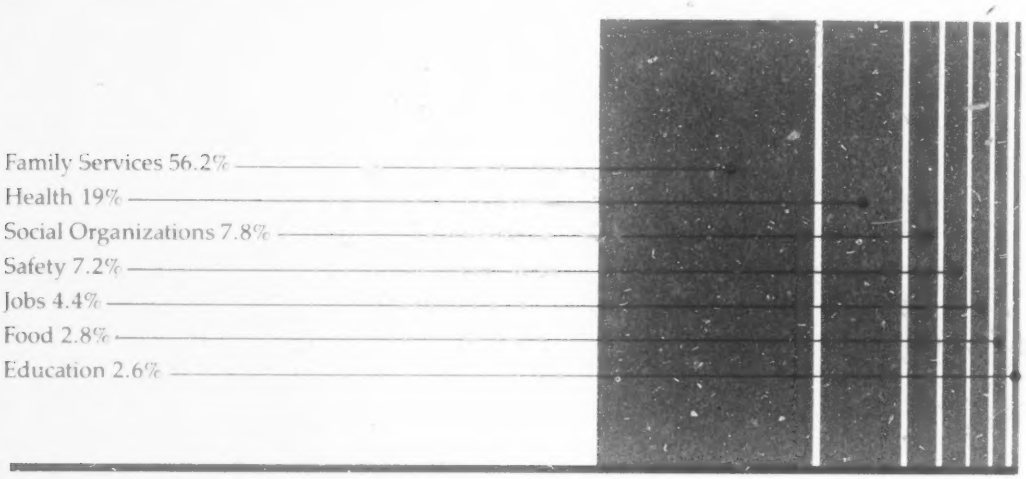
Gifts in Kind was initiated by United Way of America in late 1983 and the program took off in 1984. Now a separate 501 (c)(3) organization, Gifts in Kind provides a service corporations can use to make effective in-kind product donations. Gifts in Kind provides companies a comprehensive overview of the need for its resources within the nonprofit community, a central point for collection of tax documentation and an independent vehicle for publicly announcing the donation.

To date, the following organizations have made donations of in-kind gifts: 3M Corporation, Electrolux Corporation, Apple Computer, Best Products Company, Invacare Corporation and Chicopee. In-kind donations have resulted in cost savings of nearly $17 million to thousands of grassroots charitable organization across the country.

REACHING THE HISPANIC COMMUNITY

The Hispanic Leadership Development Program (HLDP) is a three-year United Way of America-initiated effort aimed at enhancing the policy and management capabilities of Hispanic charitable organizations. The program, now entering its final year, provides Hispanic human service professionals with intensive management training. It also offers board development training to Hispanic

Services Supported With United Way Contributions (Based on 1983 Data)



Source: *United Way of America*

volunteers, enhancing the volunteers' capacity to effectively govern the agencies they oversee.

The HLDP also helps strengthen Hispanic organizations' relationships with the corporate and philanthropic sectors. Funding sources for the program are W.K. Kellogg, American Express, Coca-Cola and Levi Strauss. Participating cities are Boston, Chicago, Los Angeles, Miami, New York, Philadelphia, San Antonio, San Francisco and Tucson.

TRACKING IMPACT OF BUDGET REDUCTIONS

Another innovative effort by United Way of America is Project Flagship. Currently underway in Atlanta, Baltimore, Buffalo, Chattanooga, Cleveland, Detroit, Indianapolis, Providence, San Antonio, San Francisco and Seattle, Project Flagship is designed to collect and record planning data from a network of 1,600 nonprofit organizations. This information will help United Ways in Project Flagship cities monitor changes in the voluntary human service system, particularly as they relate to changes in funding sources. The data will also help them determine what effect those changes have on local human services and the people they serve.

Through the support of Exxon Corporation, IBM Corporation and the U.S. Department of Health and Human Services, integrated data collection methods have been created and linked electronically using a network of microcomputers. The information can, therefore, be shared among Flagship communities. So far the results have been impressive. In Chattanooga, for instance, the technology transfer of Project Flagship has enabled the community to establish a client information system on child sexual abuse.

AT THE WORKPLACE

United Way of America's National

Corporate Development Program (NCD), now in its eighth year, assists more than 290 major national corporations in providing effective support of local United Ways. NCD companies have an employee base now equal to the entire workforce of Fortune 50 and Fortune 500 companies. Working closely with volunteers and staff from United Way of America, NCD companies undertake to strengthen involvement and understanding of United Way among their employees, especially in branch locations.

Workplace presence is a year-round effort to expand a local United Way's relationship with employees and their organizations. This effort goes beyond the narrow confines of the annual fund-raising campaign and is designed to answer employees' questions about United Way and direct them to local human care services should the need arise.

United Way of America's Workplace Presence Institute provides direct consultation to 50 local United Ways. Institute staff provide on-going support to local United Ways through development of training materials, workshops and a variety of state, regional and national meetings.

INDIVIDUAL GIVING

A national program aimed at reaching major givers is now being piloted in 11 cities. The Alexis de Tocqueville Society Leadership Giving and Recognition Program is targeted at high-income, high-net-worth individuals who have the potential to give $10,000 or more to their United Ways. In the first year of the program, five individuals gave $100,000 or more.

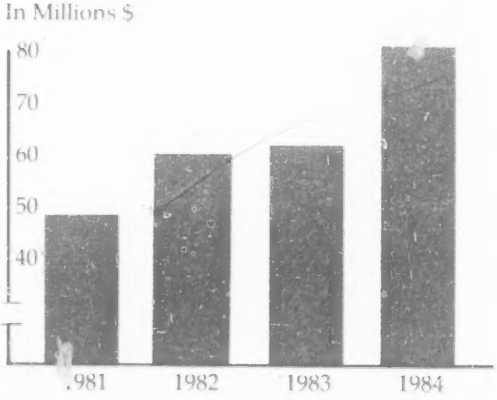
Alternatives to United Way increased their numbers in 1984, growing from 72 to 85, according to a report from the National Committee for Responsive Philanthropy. Alternative funds are federations of charities or independent funds which seek gifts through payroll deductions at the workplace, the same as United Ways do.

The 85 alternative funds raised $18 million in 1984, with most of it–$14.4 million, or 80 percent–contributed through payroll deductions.

The federal government's annual drive, the Combined Federal Campaign, provides substantial additional revenue for gift-supported organizations that are not part of United Way. These revenues are estimated at $48 million in 1984.

When the CFC revenues are added to the $14.4 million of alternative fund income from employee gifts at local workplaces, total workplace employee giving to non-United Way

Total Dollars Reported for Emergency Assistance Programs*



*Food • Clothing • Shelter • Financial Aid • Child Nutrition • Disaster Relief • Hot Lines • Homemaker Help • Transportation for the Elderly

Based on 1984 Data
Source: United Way of America

Total Local and State Revenues for Alternative Funds (a)

1984 vs 1983, for Funds which Solicit Charitable Contributions through Payroll Deductions at the Workplace

Type of Alternative Fund	Number Soliciting Thru Payroll Deduction	1984 Revenues	1983 Revenues (b)
Combined Health Appeals	16	$ 9,371,000	$ 7,921,000
Black United Funds (c)	8	3,808,000	2,921,000
Social Action/Public Interest (c)	16	1,808,000	1,280,000
National Health Agencies (d)	19	1,402,000	820,000
United Arts Funds (e)	11	1,083,000	835,000
International Service Agencies (f)	15	550,000	411,000
Totals	85	$18,022,000	$14,188,000
		27% increase (g)	

(a) Combined Federal Campaign (CFC) revenues, which are substantial for some funds, are generally excluded.
(b) Figures revised slightly from last year's report because of newer data.
(c) Includes some CFC revenues, though not more than 5% of totals.
(d) CFC revenues were $27 million additional in 1983 (1984 figure is not yet available).
(e) Payroll deduction revenues only.
(f) CFC revenues were $10 million additional in 1983 (1984 figure is not yet available).
(g) United Way's national increase from 1983 to 1984 was 10%.
Source: National Committee for Responsive Philanthropy

charities was estimated to be $62 million in 1984. This constitutes 4.4 percent of total employee giving nationwide. United Ways raised $1.332 billion through payroll deduction in 1984, accounting for the other 95.6 percent.

The $18 million in 1984 revenues for alternative funds was a 27 percent increase over the $14.2 million raised in 1983, the NCRP said.

Going back to the early 1960s, the Federal Government has been a preeminent workplace where competition for employee charitable contributions has existed. Altogether approximately 155 national agencies, plus over 300 local health and welfare organizations unaffiliated with United Ways or national health agencies, participated in the 1984 Combined Federal Campaign along with United Ways.

Federal employees gave a total of $109 million in 1983, and an estimated $120 million in 1984. This 10 percent increase, along with the previous year's increase, are the largest increases relative to inflation since 1972. The 155 national agencies are the largest number ever of national charities participating in the campaign. This expanded number and variety of charities (including environmental, consumer, women's, minority, and right wing conservative activist charities, along with traditional health, international and United Way agencies) is considered by NCRP and others to have been a primary stim-

ulus for the strong "CFC" increases in recent years.

Payroll deduction fund raising is important because nearly $1.4 billion per year is contributed through payroll deductions, mostly to United Ways. The cost of raising the $1.4 billion is tiny compared to direct mail solicitation which can be easily many times more, especially since special nonprofit mailing rates have been substantially increased.

The costs are so low because a huge percentage of employees make gifts (58 percent in the Federal Government) and because they give so much (government employees give five times more money when they have their gifts deducted, a little at a time, from each paycheck).

THE VARIOUS TYPES OF ALTERNATIVE FUNDS

There are six types of "alternative funds" which solicit charitable contribution through payroll deductions at local and state workplaces.

Combined Health Appeals (CHAs) are the largest, having raised over $9 million in 1984, which accounts for over half of all alternative fund revenues from local and state sources excluding CFC revenues. Sixteen CHAs collected payroll deduction pledges in 10 states and the District of Columbia last year. CHAs are comprised of local affiliates of major national health agencies, such as the Muscular Dystrophy Association and the Easter Seal Society. The Hartford (CT) CHA, the largest, was pledged $3.1 million in 1984. CHAs have gained access to hundreds of state, county and local government charity drives and to hundreds more corporate charity campaigns. Three of the four largest CHAs now run joint or partnership campaigns with United Ways, as does a fourth brand new CHA.

National Health Agencies (NHAs) are another type. Similar in composition to CHAs, they are, however, organized more loosely and generally have only sought access to state employee charity drives, although a few have also gained access to municipal charity drives. They seek contributions in 19 states. In 1984, NHAs raised $1.4 million from state and local charity drives, and an estimated $27 million in CFC contributions.

Black United Funds (BUFs) are the second largest type of "alternative funds." They raised $3.8 million in 1984 from all sources. The Los Angeles Brotherhood Crusade/Black United Fund, the first BUF, raised $1.7 million. The San Francisco BUF raised $634,000, the New York City BUF $508,000 and the Detroit BUF $452,000. Four other BUFs solicited for payroll deduction pledges from non-federal sources in 1984, raising over $500,000 total in four additional states.

Social action/public interest alternative funds are the third largest category, having raised $1.8 million last year from all sources. Comprised of minority, women's, neighborhood, consumer, disabled rights and many other social action and public interest groups, 16 funds solicited payroll deduction gifts in 11 states and D.C. in 1984. In its fourth year of workplace campaigning, the Cooperating Fund Drive of Minneapolis-St. Paul raised a total of $348,000; $231,000, or 67 percent, came from employees in 11 local government units and 44 businesses and nonprofits. In Philadelphia, Women's Way, a federation of nine women's groups, raised $534,200 in 1984; $224,600, or 42 percent, came

Increases in Local and State Revenues for Alternative Funds (a)

1983 to 1984, for Funds which Solicit Charitable Contributions through Payroll Deductions at the Workplace

Type of Alternative Fund	Number Soliciting Thru Payroll Deduction	Increase (Decrease) 1984 Revenues vs 1983 (b)	1984 Revenues	1983 Revenues (c)
I. Funds in Direct Competition with United Ways				
National Health Agencies (d)	19	71%	$ 1,402,000	$ 820,000
Black United Funds (e)	7	42%	3,174,000	2,231,000
Social Action/Public Interest (e)	16	41%	1,808,000	1,280,000
International Service Agencies (f)	15	33%	550,000	411,000
United Arts Funds (g)	11	30%	1,083,000	835,000
Combined Health Appeals	12	21%	3,544,000	2,919,000
Totals	80	36% (b)	$11,561,000	$8,496,000
II. Funds Operating Joint Campaigns with United Ways				
Combined Health Appeals	4	16%	$ 5,827,000	$5,002,000
Black United Funds	1	(8%)	634,000	690,000
Totals	5	15% (b)	$ 6,461,000	$5,692,000

(a) Combined Federal Campaign (CFC) revenues, which are substantial for some funds, are generally excluded.
(b) United Way's national increase was 10%.
(c) Figures revised slightly from last year's report because of newer data.
(d) CFC revenues were $27 million additional in 1983 (1984 figure is not yet available).
(e) Includes some CFC revenues, though not more than 5% of totals.
(f) CFC revenues were $10 million additional in 1983 (1984 figure is not yet available).
(g) Payroll deduction revenues only.
Source: National Committee for Responsive Philanthropy

from local employees.

Four years ago, environmental groups seriously started to seek payroll deduction contributions. Six national environmental groups raised $779,000 from the fall 1983 Combined Federal Campaign, and were expected to do as well in 1984. The Environmental Federation of California, the first local federation, raised $75,000 in its third year of solicitation, two-thirds from payroll deductions.

United Arts Funds (UAFs), existing in some 50 cities, generally do not solicit payroll deduction gifts. But 11 UAFs do and they raised $1,083,000 this way in 1984, a 263 percent increase since 1980. The largest UAFs in terms of payroll deduction revenues are Cincinnati, Charlotte (NC), Milwaukee, St. Louis, Louisville and Minneapolis-St. Paul. Payroll deductions average $98,000 for a UAF, but range from $900 (Memphis) to $517,000 (Cincinnati), or 0.1 percent of total revenues to 15 percent.

International Service Agencies (ISAs) are the smallest type of alternative

fund seeking workplace contributions from state and local employees. Comprised of agencies participating in the Combined Federal Campaign, the ISAs operate in a way similar to the National Health Agencies, that is, loosely organized and generally seeking access only to state charity drives, although they are now beginning to expand to corporate and local charity drives. ISAs currenty have direct access to 14 state government charity campaigns and one major corporation. They raised at least $550,000 in 1984 from these sources, and an estimated $10 million in CFC donations.

Large Gifts to Social Welfare (1984)

Ford Foundation
$1.3 million to Carnegie Hero Fund Commission

Ford Foundation
$1.3 million to Urban Institute

W.K. Kellogg Foundation
$1.2 million to Catholic Charities USA

Giving to **ARTS & HUMANITIES**

	Amount (Billions)
1970	$ .623
1971	.916
1972	.930
1973	1.25
1974	1.30
1975	1.66
1976	2.31
1977	2.22
1978	2.50
1979	2.70
1980	3.06
1981	3.45
1982	4.96
1983	4.08
1984	4.64

Contributions to the nation's cultural organizations and institutions increased in 1984 to $4.64 billion, bringing the arts and humanities category of philanthropy to within striking distance of passing its best year ever.

The total given to culture was not a record – that occurred in 1982 because of a single $1.3 billion gift – but giving in 1984 came to within $500 million of the all-time high.

Boosted by increased giving from individuals and continued support from foundations and corporations, arts and humanities organizations accounted for 6.2 percent of all charitable giving in 1984. A year earlier, the same category accounted for 6.2 percent of the total but the small decline was not evidence of any less interest on the part of the cultural community.

Rather, the opposite was true. More Americans are attending performing

arts events in the past four years, but the growth in attendance is not so great as the jump achieved during the 1970s.

A poll conducted by Louis Harris shows that audiences for live theatre grew to 67 percent of the adult population in 1984, up from 65 percent in 1980. The portion of the American adult population attending live opera or musical theatre grew by ten percentage points–from 25 percent to 35 percent–in the four-year period; attendance at live classical music events increased nearly as much–from 26 percent four years ago to 34 percent last year–and a similar growth was recorded for attendance at live dance performances. That figure increased from 25 percent of the adult population four years ago to 34 percent in 1984.

The survey results showed that 115 million individuals attended live theatre; 60 million attended opera and music theatre; and 58 million attended both classical music and dance.

While the survey was good news for performing arts, it was a letdown for art museums.

According to the Harris study, attendance at art museums declined to 58 percent of the adult population from 60 percent in the late 1970s. The drop was not unnatural; it was attributed by knowledgeable people to heavy attendance in earlier years at the touring "King Tut" exhibition.

Accompanying the good news on attendance was an indication that the general attitude toward funding for the arts was positive.

The number of individuals favoring increased federal support of the arts grew from 50 percent to 55 percent, while those favoring an increase in state spending for arts grew from 60 percent to 64 percent. The proponents of more local spending increased from 64 percent to 67 percent.

A portion of the credit for the better general attitude can be given to the organizations themselves, and to the success of their fund raising and educational efforts.

This became obvious when the study disclosed that 87 percent of the general adult population favored more individual contributions to the arts while 81 percent believed that increased corporate giving and foundation funding was necessary if the arts were to continue to provide cultural exposure and aesthetic enjoyment for the nation's citizens.

Pushing home the point that the arts organizations have gained some converts over the past four years is the revelation that 53 percent of those polled said they are willing to pay higher taxes to support the arts. Four years ago that figure was 41 percent.

The survey conducted by Harris asked individuals what they gave to the arts and 27 percent said they made a contribution in the previous year. While the median figure was $48.50 for individual gifts, it was considerably higher for those who attended on a regular basis–defined as attending at least four events in a particular discipline over the past year.

In that group, individual giving ranged from $74.30 for theatre goers to $85.30 for individuals visiting art museums. Classical music lovers gave an average of $87.60; those attending dance regularly gave $97.00 and opera and music theatre attendees gave the largest individual gifts with the median at $97.70.

It was impossible to compare the individual giving figures cited in the report with previous data, since 1984

Public Broadcasting Income By Public Television and Radio System And By Source of Income: Fiscal Years 1982-1983

(In Thousands of Current Dollars)

Income Source	System	FY 1982	Percent Of Total	FY 1983	Percent Of Total	$ Change FY 82-83	% Change FY 82-83
Corporation for Public Broadcasting	PB	$172,000	20.3%	$137,000	15.2%	-$35,000	-20.3%
	PT	129,370	19.0	101,461	14.1	-27,909	-21.6
	PR	42,630	25.9	35,539	19.9	-7,091	-16.6
Federal Grants and Contracts	PB	25,625	3.0	26,722	3.0	1,097	4.3
	PT	20,764	3.1	21,468	3.0	704	3.4
	PR	4,861	3.0	5,254	2.9	393	8.1
Local Governments	PB	42,353	5.0	45,026	5.0	2,673	6.3
	PT	33,685	4.9	36,372	5.0	2,687	-8.0
	PR	8,668	5.3	8,654	4.8	-14	-0.2
State Governments	PB	166,515	19.7	174,442	19.4	7,927	4.8
	PT	152,623	22.4	156,686	21.7	4,063	2.7
	PR	13,892	8.4	17,756	9.9	3,864	27.8
State Colleges and Universities	PB	85,256	10.1	90,136	10.0	4,880	5.7
	PT	51,146	7.5	54,437	7.6	3,291	6.4
	PR	34,110	20.7	35,699	20.0	1,589	4.7
Other Public Colleges and Universities	PB	6,914	0.8	8,708	1.0	1,794	25.9
	PT	4,222	0.6	5,880	0.8	1,658	39.3
	PR	2,692	1.6	2,828	1.6	136	5.1
Private Colleges and Universities	PB	12,870	1.5	23,732	2.6	10,862	84.4
	PT	7,645	1.1	17,530	2.4	9,885	129.3
	PR	5,225	3.2	6,202	3.5	977	18.7
Foundations	PB	22,108	2.6	24,928	2.8	2,820	12.8
	PT	17,917	2.6	20,389	2.8	2,472	13.8
	PR	4,191	2.5	4,539	2.5	348	8.3
Business	PB	100,486	11.9	119,823	13.3	19,337	19.2
	PT	83,700	12.3	98,574	13.7	14,874	17.8
	PR	16,786	10.2	21,249	11.9	4,463	26.6
Subscribers	PB	142,076	16.8	175,469	19.5	33,393	23.5
	PT	120,124	17.6	146,587	20.3	26,463	22.0
	PR	21,952	13.3	28,882	16.2	6,930	31.6
Auction	PB	20,392	2.4	20,963	2.3	571	2.8
	PT	19,702	2.9	20,217	2.8	515	2.6
	PR	690	0.4	746	0.4	56	8.1
All Others	PB	48,619	5.8	52,230	5.8	3,611	7.4
	PT	39,844	5.9	40,843	5.7	999	2.5
	PR	8,775	5.3	11,387	6.4	2,612	29.8
Total Nonfederal Income	PB	647,589	76.6	735,457	81.8	87,868	13.6
	PT	530,608	77.9	597,515	82.9	66,907	12.6
	PR	116,981	71.1	137,942	77.2	20,961	17.9
Total Income	PB	$845,214	100.0%	$899,179	100.0%	$53,965	6.4%
	PT	680,742	100.0	720,444	100.0	39,702	5.8
	PR	164,472	100.0	178,735	100.0	14,263	8.7

Legend: PB = Public Broadcasting
PT = Public Television
PR = Public Radio

Source: Corporation for Public Broadcasting, Policy Development and Planning November 1984

Changes in Public Broadcasting Income, 1973-1983
(In Thousands of Dollars)

Major Income Source	Current $ Income 1973	1983	Percentage Change Current $	Constant $
CPB Appropriation	35,000	$137,000	291.4%	75.2%
Federal Grants	20,585	26,722	29.8	-41.9
State and Local Tax-Based Sources	127,275	318,312	150.1	11.9
Private Sources	71,904	417,145	480.1	159.6
Total Federal Sources	55,585	163,722	194.5	31.8
Total Nonfederal	199,179	735,457	269.2	65.3
TOTAL INCOME	$254,764	$899,179	252.9%	58.0%

Source: Corporation for Public Broadcasting, Policy Development and Planning November 1984

was the first year such data were collected.

The 10.2 percent increase in giving to the arts occurred primarily because of increased giving by individuals. A number of key organizations reported that the increase in individual contributions enabled them to make headway last year. Were it not for substantial jumps in that category of funding, they would have been in trouble.

One of them, the Theatre Communications Group (TCG), reported in its annual study that donations from individuals comprised the largest single source of theatre support for the organizations, and gifts from individuals increased over 1983 by "a resounding" 27 percent.

The TCG said that the dramatic improvement in contributions from individuals coincided with enhanced giving incentives effected by passage of the Economic Recovery Act of 1981. But the Group warned that passage of the Reagan Administration's new tax plan would reverse the gains already made.

While the change in the economy was credited with helping to increase contributions overall, the TCG also attributed to it responsibility for the "intense competition" for available charitable dollars.

Robert Holley, the author of the report, said that the economic changes have left smaller, developing theatres–which have neither the resources nor the visibility to compete boldly–even further behind. Evidence of that was that two theatres, each of which had performed in their communities for more than a decade, joined the growing list of more than 30 theatres that have ceased operations since 1980.

The TCG study, among 37 sample theatres, showed that in 1984 more than 52,400 individual donors–nearly half again the number of givers reported the previous year–made gifts averaging $94 to annual campaigns conducted by 34 of the theatres.

While the average gift was smaller than the $104 average of a year ago, the substantially larger number of gifts increased the total dollars by more than 34 percent over the record levels attained just one year earlier.

The most important part of increased 1984 individual giving was the growth seen in personal gifts to annual campaigns; gains were also reg-

istered, however, in membership activity.

During 1984 more than 30,000 additional individuals participated in membership programs at 13 of the sample theatres, and membership enrollments grew by 17 percent.

The growth in 1984 activity was described by the TCG "as very likely a direct result of the considerably larger subscriber base and . . . eloquent testimony to those theatres' ability to serve their communities as broader cultural resources, involving a growing number of people outside the performance situation."

The growth of corporate and business support was called the single most important new development for nonprofit theatre since the rise of federal support following the establishment of the National Endowment for the Arts in the mid-1960s.

The TCG Survey found corporate-giving rising to second place among the most important sources of contributions in 1984–up from fourth place in 1983.

The survey registered a 24 percent increase in corporate giving to its theatres in 1984 and noted that this "continues the accelerated growth trend in corporate giving to these theatres since 1980."

The theatres reported that the number of gifts from corporations and local businesses more than doubled in 1984 to a new five-year high of 4,357. A campaign by one theatre alone produced 1,185 new gifts from local businesses with gifts averaging $155. But, because of that, the average for all corporate gift sizes dropped to $1,222 from $1,512 the year before.

While corporate giving to the theatres was on a ratio of ten-to-one with foundation giving, the average foundation gift was eight times the size of the average corporate gift.

Alarmingly, according to the TCG report, foundation giving to the sample theatres fell by nearly seven percent in 1984 and gifts from foundations covered less than four percent of the theatres' expenses.

Foundation giving declined from second to fifth place as a source of support for the theatres.

The report said the average foundation gift grew to $8,813 in 1984, but the number of gifts declined to 466, down from the five-year high of 502 a year earlier.

In 1983 foundation giving to the sample theatres increased by 17 percent and covered nearly five percent of all operating expenses. While that represented a departure from the early 70s, when a majority of theatres met nearly 10 percent of their expenses with foundation gifts, the change was a positive sign that foundation gifts to the theatres were recovering from the declines of earlier years.

The reversal in 1984 may have been due in part to a slower growth in the value of the assets held by the foundations which gave to the theatres, although, generally, foundation assets continued to reach near record levels.

More likely, however, the decline was because of a growing feeling among foundation heads and boards that their immediate priority is to meet human-service needs formerly handled in great measure by federal funds.

United Arts Funds, special fund-raising events, and guild activities, along with performing arts centers, museums and universities, and non-cash giving all accounted for additional contributed income for the theatres in 1984.

While less than a third of the theatres

participated in arts fund programs in 1984, contributions from that source increased by 12 percent and represented four percent of total expenses for the sample group.

Special events may also be seen as an extension of individual giving, and income from that source grew by four percent in 1984.

The TCG said that overall, while grants and contributions produced income sufficient to cover a considerably smaller portion of total 1984 expenses than they did five years ago, the improved growth rate for contributions–which outpaced increases in earnings and expenses for the first time in five years–"is an encouraging sign which augurs continued gains in contributed support. . . ."

The Conference Board and the Council for Financial Aid to Education reported that the joint survey on corporate contributions, conducted by the two organizations each year, showed a total of 11.4 percent of all contributions made by the firms participating in the study going to the cultural category.

That was exactly the same percentage of total corporate gifts given to culture as was evident the year before. The total dollars given were down somewhat, however, but only because fewer companies participated in the most recent year than did so a year earlier.

The findings of the TCG survey concerning foundation giving were confirmed by data from The Foundation Center which showed small declines in support given by foundations to performing arts groups. The total given for 1984 was $75.5 million, down slightly from $82 million in 1983. The percent of total foundation giving represented by the dollars going to performing arts groups–4.6 percent–was the same in both years.

While the data show a decline in the value of the grants, there was an increase in the number. Performing arts groups received a total of 2,031 large grants in 1984, up from 1,910 the year before and substantially more than the 1,668 grants given in 1982.

Foundation funds given to museums increased last year and reached $90.9 million, compared with $88.1 million in 1983, and reached 5.5 percent of the total value of the grants made in the year–up from 4.9 percent in 1983. The number of grants given to museums also grew to 1,300 from 1,258 in 1982.

Libraries received $24.6 million in grants of $5,000 or more last year compared with $36.9 million the year before. No explanation has been offered for the decline. And while there was a decline in the total funding, the number of grants increased from 378 in 1983 to 421 in 1984.

The data from the Foundation Grants Index show a drop overall in total funding for cultural activities from $277.30 million in 1983 to $229.02 million in 1984. As a portion of all grants of $5,000 and more made in 1984, cultural institutions accounted for 14.0 percent, while a year earlier, they had accounted for 15.4 percent. And while the total dropped, the number of grants increased from 5,151 in 1983 to 5,542 in 1984.

Public broadcasting income increased by 6.4 percent over the previous year, and totaled $899.2 million, according to the Corporation for Public Broadcasting's Annual Financial Report, a survey of stations and other public broadcasting entities.

Public broadcasting's real income, or purchasing power, grew 3.2 percent after accounting for inflation.

State Arts Agencies Legislative Appropriations Fiscal Years 1984 and 1985

	PER CAPITA (¢)			APPROPRIATIONS ($)			LINE ITEMS
	RANK	1985	1984	1985	1984	% CHANGE	
Alabama	46	22.7	19.0	$ 900,000	$ 750,000	20.0	$
Alaska	1	1,083.4	1,037.1	5,189,600	4,542,487	14.2	419,000
American Samoa	9	140.5	143.9	47,500	47,500	.0	
Arizona	48	20.2	14.9	600,000	426,000	40.8	
Arkansas	36	32.0	32.3	745,942	739,285	.9	
California	31	41.0	34.7	10,313,000	8,577,000	20.2	
Colorado	39	29.6	27.8	928,655	848,004	9.5	
Connecticut	35	35.0	31.0	1,099,000	978,669	12.3	
Delaware	16	74.3	71.6	450,300	431,300	4.4	
District of Columbia	5	180.9	145.2	1,127,000*	916,400	23.0	
Florida	14	84.7	50.5	9,045,182	5,264,106	71.8	6,396,336
Georgia	38	30.0	27.6	1,719,528	1,557,622	10.4	
Guam	4	212.9	244.0	235,853	268,124	-12.0	
Hawaii	8	155.6	143.3	1,591,820	1,424,132	11.8	924,614
Idaho	56	12.9	10.6	127,600	102,000	25.1	
Illinois	23	49.2	48.0	5,648,300	5,492,440	2.8	
Indiana	43	26.5	26.5	1,450,128	1,450,128	.0	
Iowa	51	16.9	16.1	492,237	466,331	5.6	
Kansas	49	20.1	17.6	487,534	422,978	15.3	
Kentucky	30	41.4	40.6	1,536,000	1,489,000	3.2	
Louisiana	44	26.3	37.0	1,168,913	1,612,633	-27.5	
Maine	41	27.4	22.7	314,439	257,286	22.2	
Maryland	29	41.4	42.4	1,781,243	1,807,983	-1.5	
Massachusetts	2	235.8	147.4	13,600,000	8,523,671	59.6	1,600,000
Michigan	10	95.5	80.8	8,659,400	7,359,900	17.7	
Minnesota	21	53.0	49.2	2,198,105	2,033,573	8.1	787,100
Mississippi	52	16.9	17.1	436,438	436,367	.0	
Missouri	17	61.7	48.5	3,067,071	2,401,307	27.7	
Montana	12	87.9	46.2	717,860	370,236	93.9	155,837
Nebraska	33	39.7	32.1	634,717	509,110	24.7	
Nevada	54	13.9	13.1	123,549	115,647	6.8	
New Hampshire	55	13.5	13.3	129,456	126,424	2.4	
New Jersey	15	81.9	49.4	6,116,900	3,671,322	66.6	569,900
New Mexico	22	50.0	37.6	700,100	510,700	37.1	
New York	3	221.2	200.0	39,087,600	35,311,300	10.7	
North Carolina	25	48.6	39.5	2,958,140	2,379,525	24.3	77,500
North Dakota	45	25.7	26.1	174,971	174,972	.0	
Northern Marianas	19	56.5	57.8	10,000*	10,000	.0	
Ohio	20	53.8	51.9	5,784,562	5,602,549	3.2	
Oklahoma	24	48.9	49.5	1,613,961	1,573,894	2.5	
Oregon	50	17.1	17.3	456,082	458,118	-.4	
Pennsylvania	26	46.9	40.1	5,585,000	4,759,000	17.4	
Puerto Rico	6	179.7	180.2	5,859,200**	5,859,200	.0	
Rhode Island	27	43.9	35.5	419,301	339,616	23.5	70,000
South Carolina	18	56.9	47.4	1,857,856	1,516,644	22.5	
South Dakota	34	35.7	30.8	249,882	212,779	17.4	
Tennessee	53	15.3	11.3	718,900	527,700	36.2	50,000
Texas	42	27.0	25.9	4,239,910	3,951,718	7.3	
Utah	13	86.5	79.3	1,399,900	1,233,043	13.5	
Vermont	28	43.0	42.1	225,710	217,028	4.0	
Virgin Islands	7	158.7	157.7	161,098	156,761	2.8	
Virginia	37	31.5	27.0	1,747,865	1,481,302	18.0	
Washington	32	39.9	34.4	1,717,133	1,459,316	17.7	
West Virginia	11	94.1	87.8	1,848,734	1,709,792	8.1	621,113
Wisconsin	47	20.4	17.0	968,000	808,300	19.8	
Wyoming	40	28.1	24.8	144,606	124,327	16.3	
				$160,611,781	$135,796,549	18.3	$11,671,400

* anticipated/continuing resolution
** portion may be transferred to line item

Source: National Assembly of State Art Agencies

While public television income rose 2.7 percent, the counterpart, public radio income, grew 5.4 percent in constant dollars.

Nonfederal income ($735.5 million) was up 13.6 percent for public broadcasting, while federal contributions declined 17.2 percent in current dollars, because of the reduction in the appropriation for CPB. Nonfederal income represented a real increase of 10.2 percent in purchasing power. Of total nonfederal income, public television accounted for 81.2 percent ($597.5 million) and public radio accounted for the remaining 18.8 percent ($137.9 million).

Cash income was responsible for 82 percent of public broadcasting's total nonfederal income, and the remaining 18 percent was in-kind and indirect support. (Indirect income is the value of facilities and general administrative support provided to a station by a parent institution, such as a university or local school district, that holds the broadcast station license.) Several income sources contributed large amounts of noncash support. Businesses and state colleges and universities, in particular, provided more than a third of their respective contributions through in-kind and indirect support.

While public broadcasting income rose, the overall enterprises that shared the income–public broadcasting stations and related organizations–also grew in various ways. The number of stations qualified to receive CPB financial support increased by 4.3 percent (from 255 to 266) in public radio and by 1.1 percent (from 174 to 176) in public television. Public broadcasting's audiences grew, too. The weekly cumulative public radio audience grew 6.9 percent, from 8.1 million to 8.7 million listeners, and the number of households watching public television programs at least once during March increased by 4.3 percent between 1982 and 1983, from 59.7 million to 62.2 million, according to Nielsen and Arbitron data.

During the last ten years total public broadcasting income increased from $254.8 million to $899.2 million, a more than threefold increase in current dollars. Its purchasing power, however, grew 58 percent during the same period, after adjusting for inflation. Over the ten-year period, the shares contributed by major income sources reflect changes. The federal share, for example, had increased from FY 1973 (21.8 percent) to FY 1978 (29.1 percent), but it declined from FY 1979 to FY 1983, particularly in FY 1983 (18.2 percent) when appropriations to CPB and federal agencies for public telecommunications uses were reduced. Of nonfederal sources, state and local tax-based sources had been the dominant income source, but in FY 1981, private sources overtook them to become the leading income source. Income from private sources accounted for 46.4 percent of public broadcasting's total income, while state and local tax-based sources contributed 35.4 percent.

Here are the highlights of the findings:

- A 35-million reduction in the federal appropriation for CPB between FY 1982 and FY 1983 diminished public broadcasting financing. The CPB appropriation, $137 million, represented a 22.7 percent decrease from FY 1982 in constant dollars. Although income from other federal grants and contracts increased (1.2 percent) in real income, total federal contributions declined 19.6 percent in purchas-

Symphony Orchestras
Five Year Financial Summary (in millions)

	1979-80	1980-81	1981-82	1982-83	1983-84
REVENUE					
Performance Income & Fees	93.9	107.2	121.5	133.7	148.7
Broadcasting & Recording	7.5	8.1	9.9	8.1	7.5
Pension Fund Activities	1.3	1.4	1.8	2.7	1.9
Other Earned Income	15.6	18.4	22.1	24.3	27.0
Endowment & Investment	23.0	28.1	32.4	32.8	35.1
Total Revenue	141.3	163.2	187.7	201.6	220.2
OPERATING EXPENSES					
Artistic Personnel	135.8	155.3	172.6	186.5	206.5
Broadcasting & Recording	5.9	6.3	7.4	6.9	7.0
Pension Fund Activities	.5	.5	.7	1.0	.6
Other Activities	15.7	18.1	21.2	24.1	26.8
Concert Production	42.2	47.5	54.5	54.8	59.4
Advertising & Promotion	15.5	17.2	20.4	23.2	27.4
General & Administrative	28.9	34.2	38.5	41.8	45.7
Total Operating Expenses	244.5	279.1	315.3	338.3	373.4
Defiency from Operations	(103.2)	(115.9)	(127.6)	(136.7)	(153.2)
SUPPORT					
Tax Supported Grants					
City	4.0	4.1	4.9	4.8	6.3
County	2.6	2.7	2.6	2.9	3.3
State	2.1	4.7	6.2	4.5	4.9
State Arts Agencies	9.3	8.7	11.3	11.3	12.4
NEA	13.6	12.1	10.6	9.6	8.6
Boards of Education	.8	.8	.8	.8	.9
Other Sources	1.0	3.0	1.0	2.4	1.7
Total Tax-Supported Grants	33.4	36.1	37.4	36.3	38.1
Private Sector Support					
Individuals	28.1	37.1	41.0	47.1	50.9
Business & Industry	16.9	19.8	24.0	25.3	30.3
Foundations	2.2	1.9	2.7	2.4	3.4
Fund-Raising Activities	11.1	14.0	19.0	18.5	18.6
Other Sources	13.4	16.7	13.8	17.0	17.5
Total Private Sector Support	71.7	89.5	100.5	110.4	120.7
Total Support	105.1	125.6	137.9	146.7	158.8
Less: Development Expenses	(7.6)	(10.2)	(12.3)	(13.4)	(16.4)
Net Support	97.5	115.4	125.6	133.3	142.4
Year-End Surplus/(Deficit)	(5.7)	(.5)	(2.0)	(3.4)	(10.8)

Source: American Symphony Orchestra League

ing power. Accordingly, the CPB appropriation's share of total income declined frm 20.3 percent to 15.2 percent, while other federal income's share remained at the same level as in the previous year, 3 percent.

- Income from individual contributors accounted for the biggest income growth, up $33.4 million, or 19.8 percent. For the first time in public broadcasting history, subscribers became the largest revenue source for the whole industry. The increase was proportionately more for radio

than for television. The stations' continued efforts in fund raising and the incentive provided by a CPB "Challenge Grant" program were largely responsible for the $33.4-million increase in subscriber income.

- Income from business rose $19.3 million in current dollars, up 15.7 percent in constant dollars, and that increase was proportionately greater for radio. More than one-third of the income all public broadcasters obtained from businesses was received as in-kind or indirect support, and for public radio, two-thirds. State colleges and universities also provided more than a third of their contributions through indirect or in-kind support.
- Income from private colleges and universities rose $10.9 million in current dollars, and its growth rate, a 78.9 percent increase in purchasing power, outpaced all other sources. This increase in contributions was due primarily to support for The Annenberg/CPB Project, a long-term effort to promote the use of telecommunications in higher education, managed by CPB and funded through a $150-million, 15-year grant from The Annenberg School of Communications. Income from private colleges and universities accounted for 2.6 percent of total income.
- State government contributions, which had been the largest source for nonfederal income in previous years, amounted to $174.4 million, up 4.8 percent in current dollars or 1.7 percent in real income. Although state governments relinquished to individual subscribers their position as the biggest nonfederal income source, they remained a leading income source for public broadcasting, contributing 19.4 percent of total income. Public television income relied more heavily on state government sources (21.7 percent) than public radio did (9.9 percent).
- State college and university contributions amounted to $90.1 million, representing an increase of 2.6 percent in constant dollars. Because many public radio stations are licensed to state colleges or universities, this source has long been the largest nonfederal income source for public radio. State college and university contributions made up 20 percent of total income for radio and 7.6 percent for television.

Shortly after taking office in 1981, the *New York Times* noted, President Reagan asked for reductions in Government spending for the arts and urged the private sector to increase its share, saying that this was the traditional American way to finance culture.

Four years later, contributions by companies, foundations and individuals have increased substantially but there is no agreement as to the cause.

Some believe part of the increase is the result of the Presidential request, substantially more believe it is a natural consequence of economic prosperity in the last two years.

The National Endowment for the Arts, now celebrating its 20th anniversary, had seen its budget increase substantially every year until Mr. Reagan took office. The President has called annually for reductions, but Congress has refused, with the result being less growth in recent years.

The endowment, the largest single arts contributor in the country, has had budgets of $143 million in 1983, $162 million in 1984 and $163 million this year. The Administration has pro-

National Endowment for the Arts

Fiscal Year 1985 Budget	
Programs:	
Advancement	$ 2,298,000
Artists-in-Education	5,600,000
Challenge	20,580,000
Dance	8,900,000
Design Arts	4,400,000
Education	100,000
Expansion Arts	6,900,000
Folk Arts	3,100,000
Inter-Arts	4,200,000
Literature	5,100,000
Locals	2,200,000
Media Arts	10,200,000
Museums	12,000,000
Music	15,300,000
Opera-Musical Theater	6,000,000
Theatre	10,600,000
State	24,300,000
Visual Arts	6,300,000
Subtotal (Program and Treasury Funds)	148,078,000
.ministration	13,916,000
Policy, Planning and Research	980,000
Regional Representatives	686,000
Total	$163,660,000

Source: Public Information Office, National Endowment for the Arts

posed $144 million for the endowment next year, but Congress is expected to approve more.

Whatever Washington's share, no one is calling for ending the Federal role entirely, with many corporations using grants from the endowment as a "seal of approval" in trying to determine which efforts to support.

The Business Committee for the Arts estimates that businesses contributed more than $600 million for the arts in 1984, up from $506 million two years earlier (there was no estimate for 1983).

When giving by individuals and foundations to cultural activities is added, the total is much larger.

State arts agency legislative appropriations for Fiscal Year (FY) 1985 increased 18.3 percent over FY 84 appropriations according to a survey released by the National Assembly of State Arts Agencies (NASAA). The 50 state and six jurisdictional agencies reported appropriations from their state legislatures totalling $160,611,781 for FY 85, as opposed to $135,796,549 for FY 84.

It is apparent with this 18.3 percent increase that state governments have decided that support for the arts is an important part of the budget. Yearly increases in the appropriations had been 10.7 percent in FY 84, 3.2 percent in FY 83, 9.3 percent in FY 82 and 10.0 percent in FY 81.

Some state agencies had remark-

able increases, for example: Montana, $370,236 to $717,860 (93.9 percent increase); Florida $5,264,106 to $9,045,182 (71.8 percent increase); and New Jersey ($3,671,322 to $6,116,900 (66.6 percent increase). Only four of the fifty-six agencies had a decrease in appropriations.

The NASAA survey includes the per capita rankings of the states, rankings by percentage of the total state expenditures allocated to the state arts agencies, listing of line items, and information about percent for art programs in the states. NASAA will update the survey in April 1985 to reflect any changes made by the legislatures during the fiscal year.

Large Gifts to Arts & Humanities (1984)

Perot Foundation—
$10 million to *Dallas Symphony Association*

Ford Foundation—
$7 million (over 5 yrs) to *National Arts Stabilization Fund*

Regenstein Foundation—
$5.5 million to *Art Institute of Chicago*

Getty Trust—
$3 million (over 3 yrs) to *The County Museum of Art*

Getty Trust—
$3 million (over 3 yrs) to *The Museum of Contemporary Art*

Getty Trust—
$2 million (over 2 yrs) to *UCLA Museum of Cultural History*

General Telephone of Florida—
$1 million to *Tampa Bay Performing Arts Center, Inc.*

Tampa Cable Television Trust—
$1 million to *Tampa Bay Performing Arts Center, Inc.*

Frank Freimann Charitable Trust—
$1 million to *Fort Wayne Philharmonic*

William S. & Frances B. Todman Foundation (Todman Film & TV Center)—
$1 million to *NYU's Tisch School of Arts*

Starr Foundation—
$1 million to *Metropolitan Museum of Art*

Glenn Warren—
$1 million to *Indianapolis Museum of Art*

Giving to **CIVIC & PUBLIC**

	Amount (Billions)
1970	$ .415
1971	.594
1972	.650
1973	.610
1974	.770
1975	.890
1976	1.07
1977	1.17
1978	1.18
1979	1.24
1980	1.37
1981	1.58
1982	1.67
1983	1.80
1984	2.08

Contributions to the organizations, institutions and agencies in the civic and public affairs category of philanthropy reached a record $2.08 billion in 1984, an increase of 10 percent from the revised $1.89 billion donated in 1983.

The American Association of Fund Raising Counsel reported that as a percentage of total contributions to all philanthropic organizations, giving to civic and public equalled 2.8 percent in 1984. That was the same portion as a year earlier.

The Association attributed the 10 percent gain to increased giving by individuals, along with a surge in corporate donations to organizations in the category which may indicate a shift in emphasis for corporate giving.

While 1983 saw a jump in the portion of corporate gifts going to the civic and public affairs category, the AAFRC said it was possible that the increase represented the results of greater corporate response to appeals being made by organizations concerned with environment, law, community projects, and the like.

A survey of corporate contributions conducted by The Conference Board and the Council for Financial Aid to Education found that the 471 companies responding gave 14.8 percent of their total contributions to civic and public affairs organizations. A year earlier, 534 companies that responded gave 11.7 percent.

The reason for the turnaround was not obvious, but a number of organizations specializing in consumer interests, community affairs, recreation and equal rights said they have received increases in support from corporations.

Some of the increase was also a result of increased giving to a number of the groups from foundations.

The Foundation Center reported that while the community affairs category received $90.3 million in support in 1984, a decline from the $110.3 million the year before, other areas showed increases.

Giving by foundations to organizations concerned with law enforcement, as one example, increased to $13.6 million in 1984, from $12.2 million in 1983.

And organizations concerned with rural development showed an increase in foundation funding to $17.5 million in 1984 from $9.3 million the year before, while foundation funding for organizations in the urban development area jumped to $48.9 million from $42.5 million in 1983.

Foundation funding for the environment increased to $91.7 million in 1984 from $49.9 million the year before. In 1983 environmental groups accounted for only 3 percent of the foundation grants, compared with 5.1

Public Broadcasting Income[1] by Source: Fiscal Years 1973-1983

(In Thousands of Current Dollars)

Income Source	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
Corporation for Public Broadcasting	$35,000	$47,750	$62,000	$96,000[2]	$103,000	$119,200	$120,200	$152,000	$162,000	$172,000	$137,000
(Percent of Total)	(13.7)	(16.4)	(17.0)	(22.2)	(21.4)	(21.6)	(19.9)	(21.6)	(21.2)	(20.4)	(15.2)
Federal Grants & Contracts	20,585	19,255	30,341	34,146	32,269	41,562	43,029	40,540	31,669	25,625	26,722
(Percent of Total)	(8.1)	(6.6)	(8.3)	(7.9)	(6.7)	(7.5)	(7.1)	(5.8)	(4.1)	(3.0)	(3.0)
State & Local Tax-Based[3]	127,275	139,056	156,570	175,870	191,269	218,183	245,544	271,595	277,492	301,038	318,312
(Percent of Total)	(50.0)	(47.9)	(42.9)	(40.6)	(39.7)	(39.5)	(40.7)	(38.5)	(36.1)	(35.6)	(35.4)
Private	71,904	84,324	115,880	127,284	155,556	173,380	194,693	240,722	297,734	346,551	417,145
(Percent of Total)	(28.2)	(29.0)	(31.8)	(29.4)	(32.3)	(31.4)	(32.3)	(34.2)	(38.7)	(41.0)	(46.4)
Total Nonfederal Income	$199,179	$223,380	$272,450	$303,154	$346,825	$391,563	$440,237	$512,317	$575,226	$647,589	$735,457
(Percent of Total)	(78.2)	(76.9)	(74.7)	(70.0)	(71.9)	(70.9)	(73.0)	(72.7)	(74.8)	(76.6)	(81.8)
Total Income	$254,764	$290,385	$364,791	$433,300	$482,094	$552,325	$603,466	$704,857	$768,895	$845,214	$899,179
(Percent of Total)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

[1]Income from FY 1976 to FY 1983 includes both broadcast and nonbroadcast income.
[2]Income from the Corporation for Public Broadcasting for FY 1976 includes the transition quarter appropriation ($17.5 million).
[3]State and local tax-based sources include income received from state colleges and universities and, for FY 1979 to FY 1982, from other tax-supported colleges and universities.

Source: Corporation for Public Broadcasting, Policy Development and Planning
November 1984

percent in 1984.

The Council on Foundations, in an analysis of foundation grants to environmental agencies, listed 10 foundations that gave more than $1 million to that category in 1983.

The figures included the $27 million gift of Richard King Mellon Foundation and the $15 million given by the John D. and Catherine T. MacArthur Foundation, to two environmental groups.

Large Gifts to Civic and Public Causes (1984)

W.K. Kellogg Foundation—
$3.1 million to *Michigan Department of Public Health*

Various community groups, businesses and individuals (relay race sponsorship)—
$3 million to *Boys Clubs of America*

Kellogg Foundation—
$2.7 million to *National 4-H Council*

Ford Foundation—
$2 million to *Housing Assistance Council*

Ford Foundation—
$1.7 million to *National Institute for Dispute Resolution*

William P. Clements, Jr.—
$1 million to *Boy Scouts of America*

Walter Annenburg Fund—
$1 million to *Colonial Williamsburg Information Center*

VOLUNTEERS

The most difficult data on the philanthropic community to obtain is that on volunteers.

A number of studies are conducted, but with no degree of regularity; and, as a result, it becomes nearly impossible to make any significant comparisons which would pinpoint any changes or trends among the group of millions of Americans who make it possible for gift-supported organizations, institutions, and agencies to deliver their services at a manageable and low cost.

Without the volunteers, it would be necessary for others to do the work they achieve each day of the year and these people, of course, would have to be paid. It is generally believed that it would take in excess of four million more employees to fill the void the volunteers would create if they ever stopped volunteering.

Generally, it is estimated that 92 million Americans volunteer–either on a regular basis or periodically during the year.

More women volunteer than men; a study conducted in 1983 by the Gallup organizations–the study, incidentally, was conducted voluntarily; that is, Gallup did not get paid to do it–found that, despite the changes in family and employment patterns, the number of women who volunteer did not decline from the number disclosed by another survey taken two years earlier.

Gallup found that 56 percent of adult women are involved in volunteer work and 53 percent of men are involved. The portion of men is increasing, however–from 47 to 53 percent in two years.

Current Volunteer Strength of 20 National Agencies

Organizations	1984 Number of Volunteers	1984 Number of Fund-Raising Volunteers
United States Committee for UNICEF	3,000,000	100,000
American Cancer Society, Inc.	2,500,000	2,148,000*
American Heart Association	2,200,000*	2,000,000*
Muscular Dystrophy Association, Inc.	2,135,000	1,735,000
United Cerebral Palsy Association	2,050,000*	1,875,000*
American National Red Cross	1,443,108	17,901
National Multiple Sclerosis Society	1,123,600*	286,500*
National Council–Boy Scouts of America	1,093,836	n/a
The Salvation Army	912,324	369,738
Girl Scouts of the USA	624,000	27,500
Arthritis Foundation	598,000	497,000
Association for Retarded Citizens of the United States	500,000*	35,000*
YMCA of the USA	400,000*	75,000*
March of Dimes Birth Defects Foundation	250,000	3,000,000
American Lung Association	132,500*	95,000*
National Board, YWCA of the USA	129,000	3,250*
Boys' Club of America	125,000	110,000
Camp Fire, Inc.	100,000	12,000
National Easter Seal Society	800,000	n/a
USO World Headquarters	40,000*	375*
Totals	20,156,368	12,386,454

*Estimate

More people volunteer in the West than anywhere else in the nation, and more professional and business people volunteer (76 percent of them) than do in any other occupational category.

Those that are married volunteer more than single people, and that is a turnaround from two years before when singles volunteered more than married people.

The vast majority of all individuals who volunteer do so because they want to be useful and help others (45 percent); while 35 percent say they do it because they have an interest in the work they perform.

Most of those who had stopped volunteer activities said they did so because they were too busy to keep up with the activity (33 percent), and only 1 percent said they left because they believed that they were not doing anything useful.

Churches, health-related, and education services represent the largest areas of volunteer involvement, but community action programs are get-

ting more volunteers than in the past.

In a survey of 20 major national health agencies, the American Association of Fund-Raising Counsel found that there was a slight drop in the total number of volunteers between 1983 and 1984. Those agencies reported a total of 20.2 million volunteers, compared with 21.1 million the year before.

A similar decline was found among volunteers with fund raising for those agencies–there were 12.9 million in 1983 and 12.4 million last year.

But the declines that were found are not indicative of a drop in volunteer activity, rather they indicate only that the agencies questioned had a small decline in the aggregate and that was probably because their volunteers were giving more time than in the past, thereby eliminating the need for additional people.

1985–Philanthropy at the Crossroads

**By John J. Schwartz, President,
American Association of Fund-Raising Counsel**

The 99th congress, which convened on January 1, 1985, has the future fate of American philanthropy in its collective hands to an extent unprecedented in history. Its decision on tax changes recommended by the U.S. Treasury Department will have a strong impact on gift-supported institutions and agencies which continue to suffer from the effects of federal cutbacks which began in 1981 and will continue in the years ahead.

Favorable Congressional action would permit the nation's nonprofit institutions to attempt to provide some, but certainly not all, of the services hit by the federal cuts; an unfavorable decision could bring about catastrophic results in the philanthropic community, leaders in the field agree.

Figures released by the Urban Institute's Lester Salamon indicate, for example, that federal budget cuts proposed for 1986 through 1988 would reduce support for programs of concern to voluntary organizations by $55 billion. Taken together with funding losses which began in 1981, a further reduction on this scale would bring to $108 billion the aggregate loss attributable to federal program slashes over the past four years.

There is no way that the philanthropic community can make up in dollars that magnitude of federal cuts, even though nonprofit organizations which have survived the federal actions of recent years have become less dependent on government support and, through hard work, built up private support for their programs. Were the Urban Institute's dire forecast to come true, philanthropic institutions and organizations would be forced to continue reducing their urgently needed services at a time when the need for such services was greater than ever.

Clear evidence of the impact of favorable Congressional action on philanthropy can be seen in the Charitable Contributions Law, which was passed as part of the Economic Recovery Tax Act of 1981. This legislation, designed to give non-itemizers the opportunity to deduct their contributions to charitable organizations from their income tax, has already made a notable difference in the level of support provided by the general public to gift-supported institutions and organizations.

Estimates show that this law, which is being phased in over a five-year period, will generate $3.8 to $6.5 billion in increased charitable contributions by 1986–a dramatic increase in the face of the government cutbacks. This legislation has affected two out of every three taxpayers who use the short form; these donors come not from the ranks of the wealthy but from the ranks of lower- and middle-income taxpayers, who provide 85 percent of all giving by individuals.

A second critical philanthropic issue to be weighed by the 99th Congress involves possible changes in the federal tax code. Tax changes that impinge on tax incentives for giving to charitable causes have historically proven to be like a phoenix that continues to rise again and again. In

1969, a tidal wave of tax reforms swept over the nonprofit sector; they were extreme enough to atrophy substantially the growth rate of new, private foundations until further reforms were legislated in 1983. Only by rallying leadership from the philanthropic field and mounting a massive research campaign were the effects of the 1969 reforms kept from inflicting even greater injury on the philanthropic community.

And now, once again, the charitable deduction has become the target of some legislators in Washington, who see it as a means of increasing government revenue but ignore its cost in privately funded services to Americans across the country.

The charitable deduction is often mistaken for a tax "expenditure" or a tax "loophole" when, in fact, it is neither. When a person makes a contribution to a charitable organization, he or she gives up an asset; it is a voluntary action and a very effective method for a private citizen to participate in a discretionary way in the ever-pressing need to improve services to our society.

The Treasury plan, which will eventually make its way to Congress, includes three proposals which would profoundly affect giving: an individual could only deduct that portion of his or her charitable contribution which exceeded two percent of adjusted gross income (average giving by individuals in 1984 was 2.04 percent of adjusted gross income); deductions for gifts of appreciated property would be limited to the original cost of the gift–rather than its current market value–plus a small factor for inflation; and the Charitable Contributions Law would sunset, or expire, at the end of 1986.

These three measures would reduce total giving by an estimated 10.8 percent, according to Dr. Charles Clotfelter of Duke University.

In addition to these measures, the 99th Congress will also decide whether or not to reduce the top marginal tax bracket from the current 50 percent level to something in the 25 percent to 35 percent range. Using the 35 percent standard, experts estimate that the cost of making a charitable contribution would rise for the donor, and that total giving would be reduced by as much as 10 percent by this plan alone. However, the virtually unanimous view of the philanthropic community is that a simplified and more equitable tax code is an objective that transcends all other considerations and is therefore favored–even if it will make more difficult the task of raising additional funds to compensate for contributions losses which would result.

The other Treasury proposals, however, would prove damaging to charity in a way that is unnecessary, untimely, and unacceptable.

The battle is joined. This Association along with other national groups like the INDEPENDENT SECTOR, the National Society of Fund Raising Executives, the United Way of America, and the National Association for Hospital Development have joined forces to launch a major campaign in Washington and throughout the country, to protect the future of philanthropy. Nothing less than this is at stake. For this essential effort, highly motivated and skilled leaders and troops have been mobilized. I fervently hope that, together, we will achieve our objective.

METHODOLOGY

The methodology used to reach the giving figures published in this volume was revised early in 1985 to reflect a more accurate estimate of the largest factor included in total giving–the amount of money donated each year by individuals.

That total alone represents more than eight of every ten dollars given to the nation's hundreds of thousands of gift-supported organizations, institutions, and agencies. Because of the size of the individual giving figure and the fact that the estimate made each year is so widely used by nonprofits, and others, including the federal government, the importance of its accuracy cannot be overemphasized.

The decisions based on that figure–such as its influence on federal and state tax policies–can, and will continue to affect the lives of all Americans, as well as the survival, continued growth and subsequent ability of the private sector to deliver its essential services and those which are targeted at improving the quality of life for Americans in general.

Because of this, and realization that the nonprofit community has not been able to document its data with the same degree as many other commercial segments of the economy, the American Association of Fund-Raising Counsel sought the assistance of a group of statisticians, economists, and leading researchers to advise it on "a better way" of identifying the total given each year by individuals.

The group was formed late in 1983. It held a series of sessions during which it examined the methodology that was currently in use, as well as some of the difficulties encountered in applying the then-current methodology.

The methodology used at that time was in effect to ask a number of charitable organizations how much the contributions they received from individual donors had increased in the past year, average those figures, and then apply the average percent gain to the previous year's total.

Two-and-a-half years later that data could be checked against some partial data obtained from the Internal Revenue Service–at which time the total was frequently revised–but the contributions made by the large percentage of Americans who do not itemize could never be obtained or verified.

As a result, there was never any great amount of assurance as to whether the methodology was accurate or inaccurate–and, if it was inaccurate, by how much.

The Advisory Committee on *Giving USA*'s Methodology decided rather quickly that there were too many questionable areas in the methodology and concentrated on seeking a more accurate method.

It concluded that the most accurate method would be an econometric model with portability or factors that could be used year after year to arrive at a total for individual giving.

The Committee then sought to identify an individual to construct such a model. After a search, it concluded that Dr. Ralph Nelson, a professor of economics at Queens College in New York, who has extensive credentials in working with the philanthropic community and the Commission on Private Philanthropy and Public Needs (Filer Commission in the 1970s), would be the economist best qualified to construct the model.

Dr. Nelson agreed to build and test

Total Personal Giving, Personal Income, and Giving as Percent of Personal Income 1935–1984

Year	Total Personal Giving (Billions)	Personal Income (Billions)	TPG as % of PI	Year	Total Personal Giving (Billions)	Personal Income (Billions)	TPG as % of PI
1935	$0.83	$60.3	1.38%	1960	$9.16	$402.3	2.28%
1936	0.99	68.4	1.45	1961	9.50	417.8	2.27
1937	1.06	73.8	1.44	1962	9.89	443.6	2.23
1938	1.00	68.0	1.47	1963	10.86	466.2	2.33
1939	1.18	72.4	1.63	1964	11.19	499.2	2.24
1940	1.25	77.9	1.60	1965	11.82	540.7	2.19
1941	1.52	95.4	1.59	1966	12.44	588.2	2.11
1942	1.94	122.6	1.58	1967	13.41	630.0	2.13
1943	2.45	150.8	1.62	1968	14.75	690.6	2.14
1944	2.57	164.5	1.56	1969	15.93	754.7	2.11
1945	2.76	170.0	1.62	1970	16.19	811.1	2.00
1946	3.09	177.6	1.74	1971	17.64	868.4	2.03
1947	3.56	190.1	1.87	1972	19.37	951.4	2.04
1948	3.90	209.0	1.87	1973	20.53	1065.2	1.93
1949	3.97	206.4	1.92	1974	21.60	1168.6	1.85
1950	4.36	227.2	1.92	1975	23.53	1265.0	1.86
1951	4.96	254.9	1.95	1976	26.32	1391.2	1.89
1952	5.52	271.8	2.03	1977	29.55	1540.4	1.92
1953	6.04	287.7	2.01	1978	32.10	1732.7	1.85
1954	6.23	289.6	2.15	1979	36.59	1951.2	1.88
1955	6.75	310.3	2.18	1980	40.71	2165.3	1.88
1956	7.33	332.6	2.20	1981	46.42	2429.5	1.91
1957	7.89	351.0	2.25	1982	48.52	2584.6	1.88
1958	8.15	361.1	2.26	1983	55.13	2744.2	2.01
1959	8.68	384.4	2.26	1984	61.55	3013.2	2.04

Source: Total Personal Giving:
1935-1953: C. Harry Kahn *Personal Deductions In The Federal Income Tax*, Princeton University Press, 1960, Table 17, p. 66
1954-1984: Ralph L. Nelson for American Association of Fund-Raising Counsel.

Personal Income:
1935-1938: U.S. Dept. of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929-1974 Statistical Tables*, Washington, D.C. 1976, p. 334
1939-1984: Economic Report of The President, February 1985, Table B-22, p. 258.

the model–the testing was done against years for which data was available–and in January of 1985 he put the new model to work on individual giving.

The results of Dr. Nelson's research are published in the chart with this section, which for the first time identifies giving by individuals for the past half-century.

In arriving at the factors for his model, Dr. Nelson met and consulted frequently with the members of the Advisory Committee on Methodology, all of which has resulted in what is agreed to be the most accurate total for the more than 82 percent of giving each year that comes from individuals.

The statisticians, reserachers, and economists who have freely given of their time, expertise, and encouragement to conclude this important project are:

Elizabeth T. Boris, Director of Research, Council on Foundations, Inc.; Virginia Ann Hodgkinson, Vice President for Research, INDEPENDENT SECTOR; Patricia Read, Director, Editorial Services, The Foundation Center; Gabriel Rudney, Senior Research Associate, Yale-Ponpo; Lester M. Salamon, Director, Center for Public Management & Economic Development Research, The Urban Institute; Hayden W. Smith, Senior Vice President, Council for Financial Aid to Education; Nelson Rosenbaum, President, Center for Responsive Governance; Russy Sumariwalla, Senior Fellow, United Way of America; and John Simon, Director, Program on Nonprofit Organizations, Yale University.

While the philanthropic community can feel some degree of justifiable accomplishment in solving the nagging problems surrounding giving each year by individuals, it is continuing its efforts through a variety of umbrella groups, including the Council on Foundations, THE INDEPENDENT SECTOR, The American Association of Fund-Raising Counsel, and various groups representing specific segments of total philanthropy, to achieve even more accuracy in its estimates.

A project of the National Center for Charitable Statistics is currently working on allocations of philanthropic dollars, and another group working with the Council on Foudations is seeking to better classify charitable organizations into specific headings.

All of that will result in a sector of the American and world economy that will be better able to serve its constitutents.

The estimates published in this report are classified as follows:

Individuals — *Contributions by individuals included in this report refer to the gifts made within the specified calendar year and for the most part are cash. While some of the individuals report the value of gifts other than cash — such as clothing, food, and works of art — on their tax returns, they are relatively small in comparison to the overall cash total.*

Bequests — *Bequests made by individuals to charitable organizations, institutions and agencies are counted in the year in which they are received by the organization, since at times, the actual transfer of the bequest may take years.*

Corporations — *The corporate giving figures used in this report follow the IRS series and include cash contributions by the nation's business coporations to charitable institutions and agencies, as well as money given by corporations to corporate foundations.*

Foundations — *The American Association of Fund-Raising Counsel excludes corporate foundation grants from its overall foundation giving total since they are counted as corporate contributions. All other foundation giving is, however, included.*

Religion — *Included in the total for religion is giving to organized religious organizations for sacramental purposes and giving to evangelical religious organizations. The total does not include giving to educational institutions which are religiously affiliated.*

Education — *The total for giving to education includes the amounts of money donated to all levels of education — primary, secondary and higher, and to educational*

agencies and organizations, in both the public and private sectors. Research is also included in this category if that research is educational in nature and conducted at an educational institution. Groups such as the Urban Institute, however, are included in the "other" category, and some other research activity is included in the health and hospitals category.

Health and Hospitals—*The giving total for health and hospitals refers only to money from individuals, foundations and corporations. It does not include government contracts or grants for research, but does include private research in the health community.*

Social Services—*Organizations included in this group are those which for the most part are concerned with the delivery of a variety of welfare-related programs to the general public. They include groups such as the United Way of America and other general affiliated fund-raising projects, as well as organizations such as American Red Cross, Catholic Charities, United Jewish Appeal, Boy Scouts, Federation of Protestant Welfare Agencies, and Federation of Jewish Philanthropies, to name a few.*

Arts & Humanities—*This category includes giving to theatres, museums, arts organizations, libraries, public television and radio, symphony orchestras, as examples.*

Civic & Public Affairs—*Organizations included in this category are concerned with civic issues such as the environment, the women's movement, the prevention of crime and deliquency, transportation and neighborhood rehabilitation.*

"Other"—*The "other" category includes a mix of organizations involved with foreign aid and technical assistance, international activities and foundation endowment.*

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In 1935, nine established professional fund-raising counseling firms serving leading community funds, colleges, universities, hospitals, churches and character-building agencies joined in forming the American Association of Fund-Raising Counsel, Inc. Their primary purpose was to bring order into a field that was disorganized and, in some instances, misunderstood and distrusted. Their first act was to adopt a code of fair practice, which has stood the test of time and is now widely accepted as a standard for professional conduct in fund raising. Today, each of the member firms and associate members of the Association operates according to this code.

The Association seeks to carry out the following program:

- To maintain high standards of ethics and professional techniques in fund-raising counseling.
- To study and identify economic and social trends in American philanthropic areas, and to share this information with the general public through publication of surveys; an annual review of philanthropy called *Giving USA;* and a newsletter, the *Fund-Raising Review.*
- To foster and encourage professional training in fund-raising techniques.
- By example, and through strict adherence to the Association's code of practice, to discourage unethical and unprofessional practitioners.
- To provide a center of information on philanthropy which is made available to related groups, such as state and federal legislatures, nonprofit institutions and agencies, students, and others engaged in studies of philanthropy, as well as to the general public.

The Association answers inquiries of state and local governments and assists, on request, in developing laws regarding the raising of funds. It thus aids in protecting the public against fraudulent practices.

The Association welcomes requests for information on any aspect of philanthropic fund raising and for data regarding the services of its members. As in other professions, relations between the professional fund-raising counsel and the nonprofit institutions or agencies served are confidential.

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1. Members of the Association are firms which are exclusively or primarily organized to provide fund-raising counseling services, feasibility studies, campaign management and related public relations, to nonprofit institutions and agencies seeking philanthropic support. They will not knowingly be used by an organization to induce philanthropically inclined persons to give their money to unworthy causes.

2. While the Association does not prescribe any particular method of calculating fees for its members, the Organization should base its fees on services provided and avoid contracts providing for contingency, commissions or a percentage of funds raised for the client.

The Organization should base its fees on high standards of service, and should not profit, directly or indirectly, from the materials or services billed to the client by a third party. Member firms will not offer or provide the services of professional solicitors.

3. The executive head of a member organization must demonstrate at least a six-year record of continuous experience as a professional in the fund-raising field. This helps to protect the public from those who enter the profession without sufficient competence, experience, or devotion to ideals of public service.

4. The Association looks with disfavor upon firms which use methods harmful to the public, such as making exaggerated claims of past achievements, guaranteeing results, and promising to raise unobtainable sums.

5. No payment in cash or kind shall be made by a member to an officer, director, trustee, or advisor of a philanthropic agency or institution as compensation for using his influence for the engaging of a member for fund-raising counsel.

6. In fairness to all clients, member firms should charge equitable fees for all services with the exception that initial meetings with prospective clients are not usually construed as services.

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